

McFarlane says Shultz knew all about Iran deal

BY LIONEL BARBER IN WASHINGTON

MR ROBERT McFarlane, President Ronald Reagan's former National Security Adviser, has said Mr George Shultz, the Secretary of State, was fully aware of details of US arms shipments to Iran.

EEC to subsidise maize sale to N Africa

By Tim Dickson in Brussels

THE EEC has agreed to subsidise the sale of 375,000 tonnes of maize to North Africa, most of it to Egypt and Algeria.

Franco-British arms talks positive

BY PAUL BETTS IN PARIS

BRITAIN and France are "closer than ever" in their approach to nuclear arms reduction and controls, President Francois Mitterrand and Mrs Margaret Thatcher said in Paris yesterday.

However, the French and British leaders also discussed terrorism, the preparation of next month's European Council meeting in London, and a series of bilateral issues.

Mrs Thatcher gave President Mitterrand an account of her recent talks on nuclear arms reduction with President Reagan. She said that France and Britain—the two European countries with independent nuclear deterrents—were approaching the question "very much in the same way."

President Mitterrand suggested yesterday that the US in future would have to hold preliminary talks with his allies before entering into new negotiations with Moscow. That, he said, was the lesson Reybjevik.

Japanese will to win nears home base

By Michael Shapiro in Tokyo

WHEN THE Americans hit baseball that is just what they do—they play. The Japanese on the other hand, "do" baseball. This is not just a linguistic nicety.

Japanese machine toolmakers 'relieved'

BY IAN RODGER

JAPANESE machine tool builders yesterday reacted with resignation to the signing of a bilateral agreement with the US that will result in substantial cuts in their shipments to the US.

many and Switzerland, were continuing to try to hold down shipments to the US. The degree to which the Japanese exercise restraint will be determined each year depending on the strength of the US market.

Mr Asai, who is also chairman of Toyoda Machine Works, said he regretted being forced to apply self-restraint, but the US was the industry's most important export market.

and Industry, welcomed the agreement. He said it would help foster the healthy development of the machine tool industries in both countries.

After three games it was clear the Japanese could not win. The American side—some of the strongest to visit here—was too big, too strong, although there were heartening individual performances on the Japanese side.

Nigeria debt terms fail to match Mexico's

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

NIGERIA has failed to match terms won by Mexico from its commercial bank creditors in a \$3.8bn (£2.7bn) rescheduling and new loan package agreed by the Barclays-led committee of leading banks in London this week.

The package calls for: Rescheduling of \$1.5bn in medium-term debt falling due until the end of 1987 over six years with a grace period of four years before repayments begin. For this Nigeria will pay a 1 per cent renegotiation fee.

acceptance by December 12, before Nigeria's negotiations with the Paris Club of official creditors.

start out as a one-year loan, but it will be convertible into a medium-term loan in 1988 provided Nigeria has by then completed its Paris Club rescheduling and drawn at least \$200m on a second World Bank loan to finance export development still to be negotiated.

Hard work In this they have worked hard, and in large measure succeeded. They have made themselves into good baseball players—good enough to win the Gold Medal at the 1984 Olympics.

Italian government version of its role 'not definitive'

BY JOHN WYLES IN ROME

THE Italian Government has failed to satisfy its critics that it is telling the whole story about possible involvement in the US arms shipments to Iran.

Australia wheat deal

China has agreed to buy 1.5m tonnes of wheat from Australia, the Australian Wheat Board confirmed yesterday.

The three-part deal, which includes a \$520m new money loan, provides for a basic interest margin of 1 1/2 per cent over Eurocurrency deposit rates compared with the 4 per cent granted to Mexico.

Sandoz attacks 'fantasy' pollution claim estimates

BY JOHN WICKS IN BASLE

SANDOZ, the Swiss chemical company, has criticised the "fantasy sums"—running into nine figures of Swiss Francs—which have been estimated for the damage claims resulting from the recent fire at the company's Schweizerhalle site and the subsequent pollution of the Rhine.

chemicals division, said that in the short term Sandoz would aim to cut its stocks of pesticides by accelerating deliveries and reducing production of active agents in Switzerland by some 60 per cent.

Gatt disputes panel on whisky vetoed by Japan

BY WILLIAM DULLFORCE IN GENEVA

JAPAN YESTERDAY refused to allow a disputes panel to be established under the General Agreement on Tariffs and Trade (GATT) to hear an EEC complaint that it is unfairly taxing imported wines and spirits, including Scotch whisky.

open up its market for foreign products. The complaint over wines and spirits was a test case of Japanese goodwill, Mr Willy de Clerq, the European commissioner for external relations, said last month.

Close scores

The Americans no longer beat the Japanese at baseball by the lop-sided scores of the past. The Japanese can win an occasional game and even when losing generally keep the outcomes close.

Renault to cut 6,000 jobs in car division

BY OUR PARIS CORRESPONDENT

RENAULT, the French state-owned car group, yesterday announced cuts of 6,000 jobs in the company's main French car division to halt losses by the end of next year.

Syrian leaves Ankara

The Turkish Government appeared split yesterday over how to handle Arab diplomats involved in terrorism after a Syrian diplomat flew out of Ankara on Thursday morning.

He left only hours before a public prosecutor, investigating the murder by Arab terrorists in July last year of a Jordanian diplomat in Ankara, formally indicted him for murder.

West German rift with Soviet Union deepens

BY DAVID MARSH IN BONN

THE DIPLOMATIC rift between West Germany and the Soviet Union deepened yesterday as a leading politician from the ruling Christian Democrats (CDU) cancelled a visit to Moscow after the Russians made clear he was not welcome.

The Soviet Union yesterday launched the strongest personal attack on US President Ronald Reagan for over a year. Patrick Cockburn writes from Moscow. Dr Georgi Arbatov, head of the USA and Canada Institute in Moscow in an article in the Communist Party daily newspaper Pravda, accused President Reagan of distorting and backing away from agreements reached with Mr Mikhail Gorbachev, the Soviet leader, at the Reykjavik summit. The article marks a growing consensus among Soviet commentators that Moscow will not be able to reach an accommodation on nuclear arms reductions with Washington while President Reagan is in office.

Two big Austrian parties neck-and-neck before poll

BY PATRICK BLUM IN VIENNA

AUSTRIA'S general election campaign ends today with the ruling Socialist Party and the conservative opposition People's Party neck-and-neck in the opinion polls and neither expected to win an absolute majority in tomorrow's vote.

at about 5.1 per cent is low by international standards. None of this has set the campaign alight and the likelihood that the Socialists and conservatives will share power has given ammunition to the small right-wing Freedom Party and to the Greens.

Perhaps the worst thing that could happen to the Japanese is to overtake the Americans in baseball.

Portuguese policy setback

BY PETER WISE IN LISBON

THE Portuguese parliament yesterday approved the outline of the Government's 1987 budget but rejected an accompanying economic plan. The move showed left-wing opposition parties determined to force the minority conservative Government to compromise on some of its free-market policy.

S Africa 'inhuman'

Delegates to the federal congress of South Africa's white opposition Progressive Federal Party in Johannesburg yesterday attacked the Government's "inhuman" detention of young children, Jim Jones writes from Johannesburg.

Mrs Beverley Roos, the delegate who proposed the motion to the congress, said that South Africa had "unashamedly violated" the United Nations convention on the rights of children and suggested that "the Government tear up its copy of the convention."

Uganda debt plan

Mr Yoweri Museveni, Uganda's President, said he would introduce legislation to prevent future governments from increasing Uganda's foreign debt. Our Kampala correspondent writes.

Mr Museveni said that he might throw this proposal open to a referendum in order to create a constitutional constraint against increasing debt. He said his Government would not put a ceiling of \$200m on annual debt repayments but believed in discussing the issue quietly with the parties involved.

SCOTLAND A Financial Times Survey The Financial Times proposes to publish a Survey on the above on Thursday December 4 1986 For further information contact: KENNETH SWAN Financial Times 57 George Street Edinburgh EH2 2BN Telephone: 011-226 4138 FINANCIAL TIMES Newspaper

Fowler outlines Aids measures

BY TOM LYNCH

THE HEALTH Education Council is to be reconstituted and strengthened to lead the public education campaign on the dangers of the disease Aids (acquired immune deficiency syndrome), Mr Norman Fowler, Social Services Secretary, told the Commons yesterday.

He also announced, during a debate on Aids that the package of publicity measures he announced last week—centred on a leaflet distribution to every home—will cost £20m. This compares with £8.2m allocated to combat the disease since the beginning of last year.

Mr Fowler said he was still considering how to allocate to health authorities the extra resources at his disposal as a result of the Chancellor's Autumn Statement. "Clearly, resources for handling Aids will be taken into account," he said.

Mr Michael Meacher, Shadow social services secretary, called for "a major increase in resources to deal with the disease which is on the brink of exploding like a timebomb." He warned that the costs of caring for the increasing number of Aids victims could rise to £300m a year and argued for between £50m and £100m to be spent on preventative measures.

Mr Fowler said the Health Education Council would be dissolved as a company limited by guarantee on April 1 next year



Norman Fowler: Aids publicity will cost £20m.

and reconstituted as a special health authority "to enhance and strengthen its role."

The authority would take over "the major executive responsibility for public education about Aids, and it should be resourced accordingly." It would have "a clear line of accountability to ministers and to Parliament."

Mr Fowler said he would seek as much cross-party agreement as possible on measures to combat the disease. He told MPs there had been 583 cases in Britain, of whom 284 had died, and it was estimated that 30,000 people were carriers of the virus.

The main role for the Government was in public education, to persuade people to take responsibility as individuals for containing the disease. "Clear, explicit language must be used and we must spare no effort to ensure that the message is getting through."

Mr Meacher agreed that advertising should be frank, direct, explicit and hard-hitting. "Over-moralistic caution can be counter-productive."

He attacked the Government over reports that it planned to cut £4m from the Public Health Laboratory Service's budget, endangering six research laboratories.

Mr Meacher also expressed concern that some Aids virus carriers had been dismissed from their jobs, even though there was no risk of infecting colleagues. He called for their employment to be protected as long as they were fit for work.

"The war against Aids must not become the war against people who have Aids."

Mr Robert Key, Conservative MP for Salisbury, said the PHLS should be expanded rather than cut. It had been set up to deal with emergencies such as Aids.

Dr Gavin Strang, Labour MP for Edinburgh East, told Mr Fowler there could be cross-party accord only if the public believed that the Government was spending enough.

Mr Frank Dobson, winding up the debate for the Opposition, said some insurance companies and moneylenders had rejected business from people who had been tested for the Aids virus even though they have been found to be clear. This was

He said the Government should take the Aids problem as seriously in terms of resources against public policy and should be made illegal. "The Government has attached more importance to Sid buying British Gas than to Sid avoiding Aids."

Summing up for the Government, Mr Tony Newton, the Health Minister, said Mr Kenneth Clarke, the Paymaster-General, would issue on Monday a book making it clear to employers that workers with the Aids virus would not infect their colleagues. He stressed that there was no risk of infection through normal social contact with Aids victims or carriers.

Mr Newton assured MPs who had expressed concern about the PHLS that the Government would not allow anything to happen which, in its view, would jeopardise the provision of sensible testing facilities for Aids cases.

Aids campaign, Page 6

Help urged for merchant shipping

ACTION to prevent most of the British-owned merchant fleet being built, registered, crewed and managed abroad, was urged yesterday.

Mr Kerry St Johnston, vice-president of the General Council of British Shipping, told the Bristol Steamship Owners' Association that within weeks the British-owned trading fleet operating on overseas registers, including the Isle of Man, would for the first time exceed in tonnage that operating from UK mainland registries.

This was an inevitable reaction to the commercial pressures facing the industry and to "acts of omission or commission by the Government."

Mr St Johnston said that, if present trends continue, we will see the UK-owned and registered merchant trading fleet fall by the mid-1990s to perhaps only 100 ships of over 500 gross registered tonnage and of considerably less than 3m deadweight tonnage in total.

"Unless Government creates the commercial conditions which offer the prospect of profitable commercial operation under the UK flag, we face a future in which the British-owned merchant fleet of the 1990s will overwhelmingly consist of ships built abroad, registered abroad, crewed abroad and perhaps even managed abroad."

Liverpool Militants beat Labour ban

BY IAN HAMILTON FAZEY, NORTHERN CORRESPONDENT

MR DEREK HATTON and his two Militant colleagues, have defeated the Labour Party's plan to oust them from Liverpool City Council.

The three Liverpool City Council Militants expelled by the Labour Party are still recognised by the Council's ruling group and Mr Hatton remains its Deputy Leader and Chairman of the Personnel Committee, following a meeting of the Labour group on Thursday night.

Mr Larry Whitty, the party's General Secretary, had written to Liverpool City Council's Chief Executive saying Mr Hatton's post as Deputy Leader was vacant and to Mr Byrne telling him to abide by party rules and remove the expelled militants from office.

Mr Byrne, previously Finance Chairman, became leader at the Thursday meeting called by Mr Whitty to reconstitute the disbanded Labour group on the council.

Mr Byrne and several other colleagues were allowed into the meeting only after they had signed undertakings to abide by party rules, which meant recognising the expulsions from the party.

The meeting left the post of Deputy Leader—Mr Hatton's—vacant. Mr Whitty left believing that the group had accepted party rules and rejected Mr Hatton.

But Mr Hatton was in his office yesterday morning, still occupying the post of Deputy Leader.

According to Mr Byrne and his left-wing supporters, Mr Hatton does not have to be Deputy Leader of the party in order to be Deputy Leader of the council.

Mr Byrne said: "There is a difference between the Labour group and the council. The council is not an organ of the Labour Party."

This argument was rejected by Labour's Walworth Road headquarters yesterday, since the three Militants were thought unlikely ever to vote with the Liberals and Conservatives. The view is growing there that Mr Byrne, a non-militant, will be next to face possible expulsion.

Mr Whitty made it clear yesterday that the party's view at national level was that the two posts were synonymous.

Mr Byrne said that the group needed the votes of Mr Hatton and the two other expelled militants, Mr Tony Mulhearn and Ms Felicity Dowling, to be sure of its majority and to carry out its election promises. Ms Dowling would remain as deputy chairman of the education committee. Mr Mulhearn chairs the council's campaign committee against cuts in jobs and services.

Machine tool sales decline

By Nick Garnett

FALLING SALES experienced by machine-tool makers from the middle of this year were confirmed yesterday by government figures showing a sharp drop in sales and orders during the three months to August.

Sales of machine tools fell by 13 per cent compared with the previous three months and orders were 9 per cent lower, according to Department of Trade and Industry statistics.

One reason was the distorting effect of the step-by-step reduction in capital allowances in the UK.

During the three months under review, domestic sales and domestic orders were down 15 per cent and 14 per cent respectively, a far more severe fall than for sales and orders from abroad. Compared with the same period last year, sales fell 2 per cent while order books declined by 15 per cent.

The trend in sales for the UK machine-tool sector will be clear, however, only when the statistics for the full year are released.

Some machine-tool makers believe that during the past few weeks the industry has shown signs of recovery.

The London Business School forecast in September that the total UK market for 1986 would be 7 per cent up on last year at constant prices.

Thatcher resists call for statement on spy book

BY JOHN HUNT AND TOM LYNCH

MRS THATCHER is determined not to make a statement in the Commons on the spy-book case while court proceedings continue in Australia, in spite of opposition pressure.

The Prime Minister considers many of the allegations made in the Commons have been "froth." She believes Mr Neil Kinnock, the Labour Party leader, is using the topic for political advantage rather than having a genuine concern that national security interests are at stake.

Mr Kinnock has called for a full explanation of the Government's conduct and a group of Labour MPs has tabled a Commons motion demanding a judicial inquiry.

However, a spokesman for Mr Kinnock said yesterday that attempts would be renewed in the Commons next week to raise the "stark issues" of the case.

Sir Michael Havers, Attorney General, said last night he was considering action in the Irish courts against Brandon, the publisher of a book by Miss Joan Miller, former special assistant at MI5, for breach of confidence.

Mr Dale Campbell-Savours, Labour MP for Workington, asked him if he intended to bring the action over *One Girl's War*, by Miss Miller, former special assistant to Mr Maxwell Knight, who was head of the

MI5 countersubversion unit.

Sir Michael replied: "The matter is under consideration."

In the New South Wales Supreme Court, the British Government is seeking to block publication of the memoirs of Mr Peter Wright, a former MI5 officer, who alleges that Sir Roger Hollis, former head of MI5, was a Soviet "mole." The case has led to uproar in the Commons, with Labour and Alliance MPs demanding explanations from the Prime Minister for alleged inconsistencies in the evidence given to the court by Sir Robert Armstrong, the Cabinet Secretary.

Mr Alan Williams, a Labour front-bench spokesman on procedural matters, called again in the House yesterday for a statement from the Prime Minister "in view of her alleged complicity in the subordination of national security interests to Conservative Party interests."

It had been claimed in parliament on Thursday that no action had been taken in one case because the recipient of security information was a Conservative prospective parliamentary candidate, Mr Rupert Allason, who wrote a history of MI5 under the pen name of Nigel West.

Mr Harold Walker deputy Speaker, said yesterday he knew of no request from the Prime Minister to make a statement on Monday.

Pincher decision queried

AN Australian Judge yesterday questioned why the British Government did not try to block a journalist's book on the secret service, but wanted the memoirs of a former MI5 agent withheld.

Mr Justice Philip Powell is hearing Britain's application to ban publication of the memoirs of Mr Peter Wright, a retired counter-espionage agent.

Mr Justice Powell said he was surprised the Government had not taken similar action against Mr Chapman Pincher's book, *Their Trade is Treachery*, in 1981.

"I am just puzzled why someone did not hotfoot it up the Strand, not only to get an ex-parte injunction... but to impound every copy of the book and the manuscript," he said.

He was speaking in the New South Wales Supreme Court, during cross-examination of

British Cabinet Secretary Sir Robert Armstrong by counsel for Mr Wright and Heinemann (Australia), his publisher.

The British Government has applied for a permanent injunction against publication of Mr Wright's book. The Australian Government is supporting the application.

Mr Wright, 71, who lives in Tasmania, claims the late Sir Roger Hollis, who was MI5 director-general, was a Soviet mole and that other agents were guilty of criminal acts, including treason.

Mr Justice Powell said he could not understand why Britain did not try harder to block Mr Pincher's book.

He said the British Attorney-General was apparently given unusual advice that nothing could be done to stop the book being published.

The hearing continues.

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and now, he cannot bear to turn a corner

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Hugo Dixon on the fight over life assurance and unit trust sales SIB and the banks not poles apart

THE BATTLE between banks and the Securities and Investments Board, the financial sector's main regulatory body, over how life assurance and unit trusts can be sold is likely to be brought to a conclusion in the next few days.



Sir Kenneth Berrill: considering concessions to banks.

The banks have worked hard over past months to try to win concessions: first, by trying unsuccessfully to amend the Financial Services Bill in the Lords and, more recently, now the bill has reached the statute book, by lobbying the board—an effort which culminated in a meeting last week between SIB members, including Sir Kenneth Berrill, its chairman, and the Committee of London and Scottish Bankers.

At the heart of the battle is the principle of polarisation, which the SIB wrote into its draft rules earlier in the year. This would require those selling life assurance or unit trusts to be either fully independent intermediaries, giving clients impartial advice on products offered by a range of different companies, or company representatives, selling the products of only one company.

intermediaries, if they cannot satisfy him or her with in-house products, and help the customer complete any transaction which stems from that reference.

the principle of polarisation. However, it has told the banks. It is prepared to consider allowing them to act as a channel for advice and help on technical aspects, although such a concession might blur the role of the company representative.

Heritage fund seeks larger grant

The National Heritage Memorial Fund, which safeguards historic buildings, works of art and the countryside, says it faces an impossible task if its annual government grant — frozen at £3m — is not increased.

Liffe to waive transaction fees

BY ALEXANDER NICOLL

THE LONDON International Financial Futures Exchange is to waive transaction fees for its clearing members during December as a way of returning to them some of the benefits of rising volume on the exchange.

year by lower charges for using facilities such as telephones. Mr Jenkins said increased volume in futures and options contracts had enabled Liffe to reduce transaction fees even though income from these fees was financing substantial investments in new systems and facilities.

worth £1.57bn. By the end of October, the cumulative volume in long gilt futures was already 254 per cent up on the first ten months of 1985, and recent volume levels seem likely to accelerate further.

APPOINTMENTS

Rockware managing director

ROCKWARE GLASS has appointed Mr Duncan Botherham as managing director. He was managing director of Rockware's Nottingham region, where he is succeeded by Mr Brian Webb, formerly group financial controller.

BIGSA (British Industry Committee on South Africa) and executive director of UKSATA (United Kingdom South Africa Trade Association). He was a director of the P.A. Consulting Group.

Harris will be joining as managing director at the beginning of December. He was managing director of BASAMS. Mr Bruce Graham becomes sales director from within the division where he was senior business manager.

CASTROL has established a business development unit to give greater emphasis to the development and expansion of activities worldwide through acquisitions, joint ventures and the formation of new companies.

Revised pay structure for prison staff proposed

By Helen Hague, Labour Staff DETAILED proposals to restructure the pay and work of 19,000 prison officers in England and Wales and end overtime were unveiled yesterday by the Home Office.

The radical package—to be considered by leaders of the Prison Officers Association in the next few days—is aimed at improving efficiency. At its core is the proposal to end overtime, which last year cost the Government £80m.

Under Treasury proposals, which form part of the package, prison officers at the top of the pay scale would be able to earn £15,000 a year by opting to work a 49-hour week.

The higher pay structure is designed to compensate for loss of overtime, and includes consolidation of allowances into basic pay packets. All officers would move on to a monthly salary.

At the moment, a prison officer on average pay can earn £9,500 for a standard 40-hour week, which can rise to £15,000 for a 56-hour week including 16 hours overtime.

Nursing pay body chief replaced

By Our Labour Staff SIR JAMES CLEMINSON, former president of the CBI, will replace Sir John Greenborough as chairman of the body reviewing nurses' pay, the Government announced yesterday.

The non-TUC Royal College of Nursing welcomed the opportunity of acquainting the new chairman with nursing's special problems but said it was disappointed at Sir John's departure: "He has shown during his chairmanship that the nursing profession requires much greater investment by government."

Teachers and employers defy Baker on pay deal

BY DAVID BRINDLE, LABOUR CORRESPONDENT

LOCAL authority employers and four of the six teaching unions signed an agreement last night on teachers' pay and conditions, refusing to make significant changes to satisfy the Government.

The agreement was signed by the four unions which approved it in principle a week ago. Mr Doug McAvoy, deputy general secretary of the National Union of Teachers, said the document was "almost as it existed" then, though Mr Baker's objections have been considered carefully.

£9,970, from September 1, 1987, to £15,058 with additional allowances of £779 or £2,077. Mr Baker was thought to have wanted a lower minimum, a higher allowance and an "efficiency bar" set at £2,700, beyond which teachers would not progress unless of proven ability.

Pit strikers lose pension case

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

MINERS WHO took part in the 1984-85 pit strike, during which they made no pension-fund contributions, were not entitled to the same pension benefits as those who stayed at work, a High Court judge held yesterday.

The agreement lays down that future strike action lasting longer than one complete pay week will not count as contributing service.

meaning of "contributing service." The "wide" view meant that miners who worked through the strike and paid about £500 each in pension contributions subsidised the pension benefits of strikers.

Officers work an average of 16 hours a week overtime, accounting for about 30 per cent of average take-home pay.

retrospective pay of up to £350 to be paid to NUM members. The back pay, covering the period between November 1 1985, and August 31 1986, will be in miners' pay packets next week.

That view was supported by the NUM, its five nominee trustees of the fund, and a South Wales miner representing those who took part in the strike.

NUS urges boycott of Cunard vote

By Jimmy Burns

MR Sam McCluskie, general secretary of the National Union of Seamen, is urging members employed by Cunard, the shipping arm of Trafalgar House, to boycott a postal ballot on the company's plans to replace existing staff with sub-contract labour on the Queen Elizabeth 2 cruise liner.



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INTL. COMPANIES and FINANCE

COMMODITIES AND AGRICULTURE

St-Gobain valued at FFf 13.6bn

BY GEORGE GRAHAM IN PARIS

THE FRENCH Government has fixed the price of shares in Saint-Gobain, the first company on its privatisation list, at FFf 810, valuing the glass and packaging group at FFf 13.6bn (\$2bn).

been telling clients to apply at any price up to FFf 340," said Mr Jean Michel, a Paris broker. Mr Michel Vigier of brokers Cholet - Dupont was more cautious. "It is a reasonable price. The shares should settle at FFf 330 to 335," he said.

In London, the response to the pricing, announced yesterday afternoon by Mr Edouard Balladur, Minister of Finance and the Economy, was more enthusiastic. "It is priced to go and it will go. It is over 50 per cent too cheap, and if you look at earnings momentum this is clearly a stock to be in," re-

marked a London broker. The Government is selling a total of 26m shares, 64 per cent of St-Gobain's capital. A group of state-controlled banks will retain a 12.5 per cent stake in the company, while the Government will keep 1.5m shares for distribution free to small investors who keep their shares for 18 months.

Japan's 'city' banks report record half-year

BY YOKO SHIBATA IN TOKYO

COMBINED PRE-TAX profits of Japan's 13 'city' or commercial banks surged 24.4 per cent to a record Y232.93bn (\$4.5bn) in the half-year to September.

Stripping out gains from sales of securities operating profits rose 26.2 per cent to Y282.53bn, also an all-time peak. This was attributed mainly to a substantial gain in revenue from domestic operations as sluggish loan demand from large corporate clients was offset by the banks' aggressive lending push for medium and small businesses and a sharp increase in borrowings by the property sector.

JAPANESE COMMERCIAL BANKS. Parent company results, half-year to September 1986. Table with columns for Revenues, Pre-tax profits, Net profits and sub-rows for various banks like Dai-ichi Kangyo, Sumitomo, etc.

In the past, during periods of declining interest rates, falls in deposit rates lagged behind those of lending rates, acting adversely on bank earnings. This, however, did not happen under the country's new environment of interest rate deregulation.

deposits accounted for as much as 70 per cent of the increase of the banks' income, and declined in tandem with reductions in the official discount rate.

Japan's most profitable bank for the 11th consecutive year. A bank official revealed that it has already written off Y210bn in bad claims which Sumitomo inherited when it absorbed the troubled Daiwa Sogo bank during the six months.

Khoos son to face court in Brunei

By Joyce Quek in Singapore

TAN SRI KHOO TECK PUAT, the Malaysian-born financier, has returned from Australia to his domicile in Singapore as ramifications widened yesterday after the Brunei Government's seizure of control at National Bank of Brunei (NBB), in which he owns some 70 per cent.

Thomson reshapes computer side

BY PAUL BETTS IN PARIS

THOMSON, the French nationalised defence and electronics group, has launched a major restructuring of its loss-making personal computer business. The move includes the closure of its micro-computer manufacturing plant at Saint-Pierre Montlaur in western France.

The restructuring is designed to cut losses in Thomson's personal computer division. These are understood to range between FFf 100m and FFf 150m (\$23m) this year on sales of about FFf 450m.

Bouygues raises stake in rival

BY OUR PARIS STAFF

BOUYGUES, France's largest construction group, has increased its stake in Spie-Batignolles to 33.9 per cent, giving it a minority blocking vote in the construction and civil engineering group which is controlled by the Schneider empire.

Mr Francis Bouygues, chairman of Bouygues, moved swiftly to acquire the Spie-Batignolles shares in order to force Spie-Batignolles and Schneider to discuss closer collaboration.

those of Bouygues. Bouygues' hostile move on Spie-Batignolles comes at a time of growing takeover activity in France. Bouygues has been particularly active on the acquisition trail this year.

Coca-Cola bottling priced at \$16.50

BY RODERICK ORAM IN NEW YORK

COCA-COLA priced the shares of its soft drinks bottling subsidiary at \$16.50 each yesterday, lower than expected and depriving the share issue of the title of the US's largest ever initial public offering.

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Mitsubishi's interim turnover slides by 30%

BY OUR TOKYO STAFF

A NOTABLE change of ranking has occurred among Japan's six dominant trading houses, which act as intermediaries almost across the spectrum of Japanese commerce—during the six months to September.

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Japan's 'city' banks report record half-year

BY YOKO SHIBATA IN TOKYO

COMBINED PRE-TAX profits of Japan's 13 'city' or commercial banks surged 24.4 per cent to a record Y232.93bn (\$4.5bn) in the half-year to September.

Stripping out gains from sales of securities operating profits rose 26.2 per cent to Y282.53bn, also an all-time peak. This was attributed mainly to a substantial gain in revenue from domestic operations as sluggish loan demand from large corporate clients was offset by the banks' aggressive lending push for medium and small businesses and a sharp increase in borrowings by the property sector.

Japan's most profitable bank for the 11th consecutive year. A bank official revealed that it has already written off Y210bn in bad claims which Sumitomo inherited when it absorbed the troubled Daiwa Sogo bank during the six months.

WEEKLY PRICE CHANGES

Table showing weekly price changes for various commodities like Metals, Grains, Spices, Oils, and Seeds. Columns include commodity name, price, and change.

US MARKETS

Table showing US market prices for Heating Oil, Precious Metals, Orange Juice, Platinum, Silver, and Wheat. Columns include commodity name, price, and change.

NEW YORK

Table showing New York market prices for Aluminum, Copper, Lead, Nickel, Tin, Zinc, and Gold. Columns include commodity name, price, and change.

CHICAGO

Table showing Chicago market prices for Live Cattle, Live Hogs, Soybean Meal, and Soybean Oil. Columns include commodity name, price, and change.

INDICES

Table showing various indices like Reuters, Dow Jones, and others. Columns include index name and value.

COFFEE

Table showing coffee prices for various grades. Columns include grade, price, and change.

SOYBEAN

Table showing soybean prices for various grades. Columns include grade, price, and change.

LEAD

Table showing lead prices for various grades. Columns include grade, price, and change.

WHEAT

Table showing wheat prices for various grades. Columns include grade, price, and change.

NICKEL

Table showing nickel prices for various grades. Columns include grade, price, and change.

BARLEY

Table showing barley prices for various grades. Columns include grade, price, and change.

TIN

Table showing tin prices for various grades. Columns include grade, price, and change.

WHEAT

Table showing wheat prices for various grades. Columns include grade, price, and change.

ZINC

Table showing zinc prices for various grades. Columns include grade, price, and change.

WHEAT

Table showing wheat prices for various grades. Columns include grade, price, and change.

GOLD

Table showing gold prices for various grades. Columns include grade, price, and change.

WHEAT

Table showing wheat prices for various grades. Columns include grade, price, and change.

SILVER

Table showing silver prices for various grades. Columns include grade, price, and change.

WHEAT

Table showing wheat prices for various grades. Columns include grade, price, and change.

SOYBEAN MEAL

Table showing soybean meal prices for various grades. Columns include grade, price, and change.

WHEAT

Table showing wheat prices for various grades. Columns include grade, price, and change.

CURRENCIES & MONEY

LONDON STOCK EXCHANGE

Brighter trend in Gilts and equities

FOREIGN EXCHANGES

Dollar firm in thin trading

THE DOLLAR moved firmer in the last few hours of trading in London yesterday to break through the DM 2.02 level. It closed at DM 2.0225 up from DM 2.0200 on Thursday. Dollar sentiment received a boost after the market had lost its appetite to test central bank reactions should the US unit fall below DM 2.00. Light short-covering in thin pre-precise trading assisted the dollar although many concerned more above the DM 2.02 level will probably be postponed until next week. Attention was then focused on Wednesday's release of US trade figures.

Y232.50 from Y229.50. Against the dollar it closed at \$1.4225 up from \$1.4110. On Bank of England figures the pound's exchange rate index rose to 67.9 from 67.6. D-MARK—Trading range against the dollar in 1988 is 2.4710 to 1.9740. October average 2.0623. Exchange rate index 142.8 against 124.4 six months ago. Trading was subdued in Frankfurt ahead of the weekend. The dollar was fixed at DM 2.0152 compared with DM 2.0075 and there was no intervention by the Bundesbank. The US unit was confined to a narrow range. Its resistance to attempts to push below DM 2.00 tempted speculators to test the upper levels but there was no serious attempt to push it beyond DM 2.02. Dealers suggested that the authorities were reasonably content with current ranges and suggested that current ranges could be maintained through the New Year. The D-Mark showed little reaction to the release of money supply figures which showed a continued growth above official target ranges. The dollar closed at DM 2.0170 from DM 2.0080.

Account Dealing Dates
Option
First Declared Last Account
Dealings close Dealings Day
Nov 10 Nov 20 Nov 11 Dec 1
Nov 24 Dec 4 Dec 5 Dec 15
Dec 8 Dec 18 Dec 19 Jan 5
* New time dealings may take place from 9.00 am two business days earlier.
A difficult week on a more confident note as the UK securities markets responded to a rally in sterling and a strong performance by both the Wall Street and Tokyo markets. The equity market moved higher as the UK Government announced its intention to raise the mammoth British Gas privatisation sale—the largest flotation ever undertaken in the UK markets.
After a cautious start, share prices gained ground steadily to close at the day's best levels. The FT-SE 100 index gained 14.2 to 1694.5, while the FT Ordinary index at 1274.2 was 14.4 higher.
Government bonds also had a good session, and although off the top at the close, appeared to have established a new "floor" after the shakeout at mid-week.
The price of the British Gas shares at 130p, well above the offer at 125p, was at the high end of market predictions which ranged from 130p to 135p.
At this price, the yield is good enough to get the shares away very easily," commented Mr. Simon Dible of L. Messel, London broking arm of Shearson Lehman Brothers.
The new issue market was generally cautious yesterday as Virgin, Mr. Richard Branson's media group, its 142p tender price, despite having been threefold oversubscribed. The tender price was held only briefly, and the shares fell to 137p after steadying to close at 140p. TSB shares dipped to 77p, the lowest since its debut.
The blue chips had a successful day, with both professional investors and genuine investors picking up stock. Eschmanns, the tobacco group, moved up on higher first half profits and dividend. Oil shares improved with British Petroleum still wanted after this week's trading news. Impac Chemical Industries found buyers again. But the dull spot was Beccium, which shaded lower in modest turnover.
The gilt-edged sector opened strongly, gaining 3/4 of a point towards the longer end as sterling advanced higher. Some Far Eastern buyers stepped in, but the market felt that UK gilts are now attractive to overseas investors. Support faded later, however, as the traders squared their positions ahead of the weekend.
The FT Government bonds index advanced 0.25 to 83.00. Mr. Tim Congdon of L. Messel believes that the market held their ground provided that the sterling exchange rate index remains above 67. The signs of strength in US bonds will prove a built in plus for London gilts, he suggests.

FINANCIAL TIMES STOCK INDICES
Table with columns: Index Name, Nov 21, Nov 20, Nov 19, Nov 18, Nov 17, Year Ago, High, Low, Since Completion.

Bid possibilities aroused by the offer for Exco and by the recent change in the rules limiting ownership by the banks of foreign exchange or money between again spurred selected Financial Trusts. Mercantile House climbed 10 to 320p, while MAI put on 10 to 434p. Good interim results, plus news of two acquisitions at a cost of £17.25m, stimulated NMC Investments which bounded 18 to 201p.

STERLING INDEX

Table with columns: Nov 21, Latest, Previous. Rows for Sterling, US Dollar, Canadian Dollar, etc.

POUND SPOT—FORWARD AGAINST THE POUND

Table with columns: Nov 21, Day's Spread, Close, One month, Three months, Six months, One year.

DOLLAR SPOT—FORWARD AGAINST THE DOLLAR

Table with columns: Nov 21, Day's Spread, Close, One month, Three months, Six months, One year.

CURRENCY RATES

Table with columns: Nov 21, Bank, Social, European, Market, etc.

EURO-CURRENCY INTEREST RATES

Table with columns: Nov 21, Short term, 7 days, One month, Three months, Six months, One year.

EXCHANGE CROSS RATES

Table with columns: Nov 21, £, \$, DM, YEN, F.R.F., S.Fr., H.F.L., N.F.S., C.Fr., B.Fr.

CURRENCY MOVEMENTS

Table with columns: November 21, Bank of England, Market, etc.

OTHER CURRENCIES

Table with columns: Nov 21, £, \$, DM, YEN, F.R.F., S.Fr., H.F.L., N.F.S., C.Fr., B.Fr.

MONEY MARKETS

INTEREST RATES showed little overall change in London yesterday. Sterling's better performance provided some comfort but there was little interest ahead of the weekend. Market traders remained unclear as to how interest rates might perform with the UK Government's dislike of higher interest rates countered by a growth in speculative sterling trading amid rumours of when the next general election will take place and which political party will win it. Three-month interbank money was quoted at 11 1/4-1 1/4 per cent unchanged from Thursday. Weekend money opened at 9 1/4-9 1/4 per cent and touched a low of 9 1/4 per cent before rising to a high of 11 1/4 per cent. Late balances were taken at 11 per cent.

FT LONDON INTERBANK FIXING

Table with columns: Nov 21, Overnight, One month, Two months, Three months, Six months, Lombard intervention.

LONDON TRADED OPTIONS

Table with columns: Option, Nov, Dec, Jan, Feb, Mar, Apr, May, Jun, Jul, Aug, Sep, Oct, Nov, Dec.

Rates steady on stable pound

offer attracted bids of £320m compared with £468.2m previously and all bids offered were allocated. The minimum accepted bid was £37.355 from £37.35 and was met so about 2 per cent and above in full against 98 per cent the week before. Next week a further £100m of bills will be on offer, replacing a similar amount of maturities. In Frankfurt interest rates were little changed after Thursday's expected decision by the Bundes-

LONDON MONEY RATES

Table with columns: Nov 21, Overnight, One month, Two months, Three months, Six months, Lombard intervention.

TRADING VOLUME IN MAJOR STOCKS

Table with columns: Stock, Volume, Closing, Day's change.

Mercury International, the UK merchant banking conglomerate which revived strongly on Tuesday as US arbitrator Mr Saul Steinberg made good on his promise and commented Mr Simon Dible of L. Messel, London broking arm of Shearson Lehman Brothers.

Goldsmiths, popular of late on account of a possible bid from Combined Bank Stores, to a further sharp turn for the better yesterday when news that Kennedy Brokers holds a 6.4 per cent stake in the company left the shares 18 up and 28 higher on the week at 25p. Elsewhere in Stores, Burton gained 6 to 270p following comment on the impressive preliminary figures, while Storehouse added 4 at 297p on reports of a bullish broker's circular. Takeover chatter continued to surround Sany, which edged up a penny more to 129 1/2p.

Pilkington higher

Pilkington rose 13 more to 624p compared with BT's offer worth 590p per share as the majority of analysts endorsed the market's view on Thursday that the bid was far too low and was probably only an opening shot. Elsewhere in the miscellaneous industrial sector, Fothergill and Harvey provided the outstanding movement, advancing 63 to 241p on the offer—swiftly reflected in the share price from Courtaulds. Further consideration of the agreed bid for Grosvenor Square Properties left Associated British Ports 20 to the good at 265p, while Erbel, still reflecting the good interim figures, advanced 17 more to 405p. Pearson, a falling market earlier in the week along with many other possible takeover stocks, revived smartly and closed 10 dearest at 57p. British Airways moved up 9 to 489p in a relatively low volume of business, while BBSI, reflecting comment on the interim figures, firmed 9 to 426p. Transport Development, regarded as a possible takeover target for Bunnell, improved 4 1/2 to 190 1/2p. Dalgely improved 9 to 281p following the chairman's statement at the annual meeting and Mitchell Cows hardened 1 1/2 to 594p on the announcement that the firm had increased its holding in the company to 9.58 per cent. Among the leaders, Trafalgar House, recommended by Kitcat and Aitken as attractive on a medium- or long-term view, advanced 10 to 291p; 3.5m shares were traded yesterday.

454p in response to talk of a "buy" circular from Hoare Govett.

Lead possibilities aroused by the offer for Exco and by the recent change in the rules limiting ownership by the banks of foreign exchange or money between again spurred selected Financial Trusts. Mercantile House climbed 10 to 320p, while MAI put on 10 to 434p. Good interim results, plus news of two acquisitions at a cost of £17.25m, stimulated NMC Investments which bounded 18 to 201p.

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UK clearing bank leading rate 11 per cent since October 15

The Bank of England forecast a shortage of around £800m with factors affecting the market including: mounting uncertainty and takes up on Treasury bills; together draining £251m and a rise in the note circulation of £38m. In addition banks brought forward balances £25m below target. These were partly offset by Exchangeur transactions which added £30m. The forecast was revised to a shortage of around £500m and the Bank gave assistance in the morning of £128m through outright purchases of bills. These purchases included £100m in band 3 at 10 1/4 per cent and £11m in band 4 at 10 1/2 per cent. Additional help was given in the afternoon of £247m through outright purchases of £25m of eligible bank bills in band 1 at 10 1/4 per cent, £11m in band 2 at 10 1/2 per cent, £14m in band 3 at 10 1/4 per cent and £58m in band 4 at 10 1/2 per cent. There was no late assistance and total help came to £228m. The average rate of discount at the weekly Treasury bill tender rose by 80p per cent to 10.6556 per cent. The £100m of bills on

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AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (2), Abbey Unit Tr. Mgrs. (3), etc., with columns for name, manager, and other details.

FT UNIT TRUST INFORMATION SERVICE

Main table of unit trusts including categories like Abbey Unit Tr. Mgrs., Abbey Unit Tr. Mgrs. (2), Abbey Unit Tr. Mgrs. (3), etc., with columns for name, manager, and other details.

Advertisement titled 'Have you got a few words to say to your Bank Manager?' with text about correspondent banking and services.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data with columns for Series, Vol., Last, and Stock prices.

BANK RETURN

Table showing bank return data with columns for liabilities, assets, and other financial metrics.

ISSUE DEPARTMENT

Table showing issue department data with columns for liabilities, assets, and other financial metrics.

Large table of unit trusts and insurance information, including various trust names, managers, and insurance details.

INSURANCES

Table listing various insurance policies and providers, including AA Friendly Society, AA Friendly Society, etc.

AUTHORISED UNIT TRUST & INSURANCES

Table listing various insurance and unit trust products, including American Life Assn Co Ltd, British National Life Assurance Co Ltd, and others, with columns for product names and prices.

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INSURANCE, OVERSEAS & MONEY FUNDS

Main table of financial data containing columns for company names, fund names, and numerical values. Includes sections for 'MANAGEMENT SERVICES' and 'OFFSHORE AND OVERSEAS'.

OFFSHORE AND OVERSEAS

Main table of financial data, continuing from the top section, listing various insurance and investment funds.

Money Market Trust Funds

Table listing Money Market Trust Funds with columns for fund name and numerical values.

Money Market Bank Accounts

Table listing Money Market Bank Accounts with columns for bank name and numerical values.

NOTES

Textual notes and disclaimers regarding the data presented in the tables, including information about the source and accuracy of the data.

TRADITIONAL OFFERS

Table listing traditional offers and 3-month call rates for various financial products.

BRITISH FUNDS

Table of British Funds with columns for Stock, Price, and % Chg. Includes sub-sections for 'Five Years' and 'Over Fifteen Years'.

AMERICANS—Cont.

Table of American Stocks with columns for High, Low, Stock, Price, % Chg., and Div. Yield.

LONDON SHARE SERVICE

BUILDING, TIMBER, ROADS—Cont.

Table of Building, Timber, and Roads stocks with columns for Stock, Price, % Chg., and Div. Yield.

DRAPERY & STORES—Cont.

Table of Drapery and Stores stocks with columns for Stock, Price, % Chg., and Div. Yield.

ELECTRICALS

Table of Electrical stocks with columns for Stock, Price, % Chg., and Div. Yield.

CANADIANS

Table of Canadian Stocks with columns for Stock, Price, % Chg., and Div. Yield.

BANKS, HP & LENDING

Table of Banks, HP & Lending stocks with columns for Stock, Price, % Chg., and Div. Yield.

CHEMICALS, PLASTICS

Table of Chemicals and Plastics stocks with columns for Stock, Price, % Chg., and Div. Yield.

INDUSTRIALS—Cont.

Large table of Industrial stocks with columns for Stock, Price, % Chg., and Div. Yield.

FOOD, GROCERIES, ETC.

Table of Food, Groceries, and other consumer goods stocks with columns for Stock, Price, % Chg., and Div. Yield.

INT. BANK AND O.E.S. GOVT. STERLING ISSUES

Table of International Bank and Government Sterling issues with columns for Stock, Price, % Chg., and Div. Yield.

CORPORATION LOANS

Table of Corporation Loans with columns for Stock, Price, % Chg., and Div. Yield.

COMMONWEALTH & AFRICAN LOANS

Table of Commonwealth and African Loans with columns for Stock, Price, % Chg., and Div. Yield.

LOANS

Table of Loans with columns for Stock, Price, % Chg., and Div. Yield.

BEERS, WINES & SPIRITS

Table of Beers, Wines & Spirits stocks with columns for Stock, Price, % Chg., and Div. Yield.

FOREIGN BONDS & RAILS

Table of Foreign Bonds and Rails with columns for Stock, Price, % Chg., and Div. Yield.

AMERICANS

Table of American Stocks with columns for Stock, Price, % Chg., and Div. Yield.

BUILDING, TIMBER, ROADS

Table of Building, Timber, and Roads stocks with columns for Stock, Price, % Chg., and Div. Yield.

DRAPERY AND STORES

Table of Drapery and Stores stocks with columns for Stock, Price, % Chg., and Div. Yield.

HOTELS AND CATERERS

Table of Hotels and Caterers stocks with columns for Stock, Price, % Chg., and Div. Yield.

INDUSTRIALS (Miscellaneous)

Table of Miscellaneous Industrial stocks with columns for Stock, Price, % Chg., and Div. Yield.

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INDUSTRIALS - Continued

Table of stock prices for various industrial companies, including columns for stock name, price, and volume.

LEISURE - Continued

Table of stock prices for leisure-related companies, including columns for stock name, price, and volume.

PROPERTY - Continued

Table of stock prices for property-related companies, including columns for stock name, price, and volume.

INVESTMENT TRUSTS - Cont.

Table of stock prices for investment trusts, including columns for trust name, price, and volume.

FINANCE, LAND - Cont.

Table of stock prices for finance and land-related companies, including columns for company name, price, and volume.

MINES - Continued

Table of stock prices for mining companies, including columns for company name, price, and volume.

MOTORS, AIRCRAFT TRACES

Table of stock prices for motor and aircraft-related companies, including columns for company name, price, and volume.

COMPONENTS

Table of stock prices for component companies, including columns for company name, price, and volume.

SHIPPING

Table of stock prices for shipping companies, including columns for company name, price, and volume.

SHOES AND LEATHER

Table of stock prices for shoe and leather companies, including columns for company name, price, and volume.

OVERSEAS TRADERS

Table of stock prices for overseas traders, including columns for company name, price, and volume.

PLANTATIONS

Table of stock prices for plantation companies, including columns for company name, price, and volume.

INSURANCES

Table of stock prices for insurance companies, including columns for company name, price, and volume.

PROPERTY

Table of stock prices for property companies, including columns for company name, price, and volume.

TRUSTS, FINANCE, LAND

Table of stock prices for trusts, finance, and land companies, including columns for company name, price, and volume.

FINANCE, LAND, etc.

Table of stock prices for finance, land, and other companies, including columns for company name, price, and volume.

MINES

Table of stock prices for mining companies, including columns for company name, price, and volume.

REGIONAL & IRISH STOCKS

Table of stock prices for regional and Irish stocks, including columns for company name, price, and volume.

Hungary split over economic ills

BY LESLIE COLLITT IN BERLIN

THE HUNGARIAN leadership under Mr Janos Kadar has failed, after two days of heated debate, to agree on comprehensive measures to deal with the country's deepening economic malaise.

rumours about possible Politburo changes connected with the worsening state of the economy. Those include the suggestion of the resignation of Mr Kadar who, at 75, has led Hungary since the abortive 1956 anti-Soviet uprising.

100,000 workers in Budapest alone. "First we need a programme," Mr Berecz said, that if personnel changes were necessary they would take place later.

Brierley bid for OT & T defeated

By Terry Poyer

MR RON BRIERLEY, the New Zealand entrepreneur who has built up stakes in 80 British companies in the last 18 months, yesterday accepted defeat in a £258m bid for Ocean Transport & Trading.

Last night IEP (UK), which is part of the Brierley group of companies based in New Zealand and Australia announced that by the close of its offer had been accepted by holders of 37.6 per cent of the freight forwarding, fuel distribution, shipping and storage group's shares and that therefore the bid now lapsed.

Of the accepting shares all but 8.2 per cent were either owned by Brierley group companies before the 260p-a-share bid or were bought by them in the market during the course of the offer.

SE warns firms on Boesky

BY HUGO DIXON

THE Stock Exchange Council yesterday instructed its members not to "employ, remunerate or enter into any form of association" with Mr Ivan Boesky, who is at the centre of Wall Street's latest insider dealing scandal, or with anybody working for him.

Separately, Mr Paul Channon, Trade and Industry Secretary, declined to say whether the DTI was investigating the possibility that Mr Boesky's insider dealing extended to his London activities.

full glare of publicity." Cambrian & General Securities, the UK investment trust used as a vehicle for many of Mr Boesky's investment activities, is understood to have been issued with a subpoena by the US Securities and Exchange Commission calling upon it to give evidence to the Grand Jury set up to investigate insider dealing in the US.

Cambrian is a highly-g geared trust which managed assets of £277m and had a net asset value of £122m when it last reported in May.

pany's future, various UK stockbrokers were trying to set up deals to restructure or liquidate it.

It said it was not acting on behalf of Cambrian and stressed that the trading in the company's shares had to be restored and more information about the company's net asset value revealed before any deal could go ahead.

PART OF PENALTY COULD BE OFFSET AGAINST TAX

MR IVAN BOESKY, the Wall Street arbitrageur, may be able to write off against tax a significant portion of the \$100m (£71m) he paid to the authorities for his part in the biggest-ever US insider trading scandal, Charles Hodgson writes from New York.

\$50m in illegal profits he returned to the authorities. The revelation comes the day after reports that Mr Boesky had milled off his ultimate insider trading scoop—the sale of \$440m of securities in companies involved in takeovers—shortly before his public admission of involvement in the widening insider trading affair.

Mr Boesky to avoid losses of between \$40m and \$60m, based on the sharp fall in takeover stocks prompted by news of his settlement.

British Gas Continued from Page 1

would then be allocated 64 per cent of the issue with 24 per cent for the institutions and 12 per cent for the overseas markets.

However, he added: "It just shows the irresponsibility of the Government selling off the wealth of the nation at an undervalued price."

It would not take a large rise in the price to induce the institutions to sell, so taking it back down.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

Table with 2 columns: Stock Name and Price Change. Includes items like Exch 12pc '13-17, Assoc Brit Ports, Blue Circle, etc.

PWS Holdings loses fight for control of C. E. Heath

BY NICK BUNKER

PWS HOLDINGS, the insurance broker led by Mr Ronnie Ben-Zur, has failed in its four-week campaign for control of C. E. Heath, the UK's sixth-biggest quoted insurance broking group.

made clear that its offer would lapse if the Heath-Fielding merger was approved and completed.

WORLDWIDE WEATHER

Table with 4 columns: Location, Day, Y day, Y day. Lists weather conditions for various cities like Alicante, Algiers, Amman, etc.

Brazil brings in austerity package

By Ivo Dawray in Brasilia

THE Brazilian Government introduced a rigorous austerity package yesterday which increases taxes on luxury goods by up to 100 per cent, eases price controls on some of them, raises tariffs for state-run services and closes 15 government enterprises and agencies immediately.

A mini-devaluation of the cruzado—possibly of about 3 per cent—was also widely expected, though not confirmed.

The long-awaited adjustment to the anti-inflationary economic reform programme introduced in February and known as the Cruzado Plan, began at midnight on Thursday with the immediate imposition of 60 per cent price rises for petrol and alcohol fuel, and the merger of the BNH (national housing fund) with the Federal Savings Bank.

The package is aimed at raising Cr 150bn (£7.6bn), equivalent to about 2.5 per cent of gross domestic product.

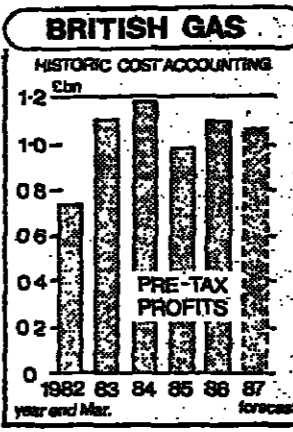
Despite the tax rises and price increases allowed to manufacturers of a few luxury goods, Brazil's price freeze is to continue, Mr Dilson Funaro, Finance Minister, said yesterday.

When 1 per cent of the population has 14 per cent of the wealth, and 50 per cent of Brazilians own only 13 per cent, it is the Government's duty to continue its policy of redistributing income, he said.

THE LEX COLUMN

Dinner is in the oven

Index rose 14.4 to 1274.2



It may seem unfair to describe the largest flotation in the history of the equity markets as an anti-climax. Yet the proselytising efforts of the sponsors have been so exhaustive that there is almost a whiff of staleness at the outset of the formal offer.

Although British Gas is being exposed to commercial freedom, it is receiving considerable protection: it has been given the right to pass on to its tariff customers any increase in the cost of the gas delivered to that market.

The yield on the shares at the offer price, 6.8 per cent, is not so gilt-like. Indeed it does not compare too favourably with the likely returns from an indexed gilt.

Sir Denis Rooke has spent much of his time under government control in an effort to minimise the return to the shareholder, and maximise the return to his customer.

Although British Gas has been completely written off as a growth stock, it may be that the company's capacity to increase profits has been underestimated.

The long term threat to earnings is the prospect that oil companies may use the provisions of the Gas Act to supply the end-user directly and cut out the middleman—British Gas. Yet in the unlikely event

But quite apart from the downiness of the notion that all could win and all would have prizes, the promise was seen as an announcement that any one who pitched high could expect to get shares, and get them without risk of getting them at a price that would afterwards collapse.

In the event, a striking price of 140p—covered only three times—was no guarantee of a sparkling aftermarket. After the television advertising and popular publicity that Virgin could muster, Morgan Grenfell was still left with a share that dipped into discount territory on the first day.

Those institutions that still want Virgin shares can see their way to be picked up by a sparkling aftermarket. After the television advertising and popular publicity that Virgin could muster, Morgan Grenfell was still left with a share that dipped into discount territory on the first day.

Such strategic arguments should not influence the private investors either way. They should simply accept the inducements—in the form of staggered payments and vouchers or bonus shares—and consider the long term at least when they have shares to sell.

All this is irrelevant to the institutions. The UK institutions will have only a 25 per cent weighting in British Gas as popular demand is sufficient to trigger the clawback provisions.

Virgin Virgins come both wise and foolish, or at any rate with varying degrees of optimism. Mr Richard Bramson's approach to the allocation of shares in the tender for his Virgin Group was to promise that the price would be struck at such an unambitious level that all successful applicants were guaranteed a profit.

BUSINESS EXPANSION SCHEME

The Gresham Trust Management Buy-Out BES Fund

Gresham Trust p.l.c., an established Business Expansion Scheme Fund Manager and investor in Management Buy-Outs, is now launching an approved investment fund under the BES to concentrate in the field of MANAGEMENT BUY-OUTS

The BES legislation offers investors income tax relief at their highest marginal rates and the chance of a high investment return free of Capital Gains Tax.

The particular attractions of Management Buy-Outs under the BES are fully set out in the FUND MEMORANDUM

For a copy of the Memorandum and application form contact Gresham Trust by phone, or return the coupon below completed or with your business card attached. Participants should recognise that investment in unquoted companies carries higher risks as well as the chance of higher rewards.

Form for Gresham Trust p.l.c. application, including fields for Name, Address, Postcode, and contact information.

China

wide welcome business for Shanghai's stock exchange. The exchange reopened in late September and effectively shut a few days later, because everything had sold out.

Following the shareholders' meeting at London's Barbican Centre, Mr Fielding is now set to become Heath's chief executive in a move intended to strengthen the group's management. Heath has suffered from staff defections and the loss of its Australian workers' compensation business, and faces some potentially expensive litigation.

Saturday November 22 1986

MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV

Dissenting adults

THEY ARE hounded by the authorities and relegated to menial jobs. Their telephones are severed or tapped and their mail intercepted. Yet the dissidents of Eastern Europe refuse to accept that they are engaged in a lost cause.

Like it or not, Western governments bear no small responsibility for the dissidents' fate after repeatedly deluding the East European opposition into believing the West would permit it to be crushed. During the Hungarian uprising in 1956, for instance, Western radio stations, in broadcasts beamed into Hungary, actively encouraged the opposition to attack the hated symbols of Communist rule. But the West did nothing to help when the beleaguered people were suddenly faced with Soviet tanks in the streets of Budapest.

In June 1982, disgruntled East Germans were given the same false hopes by American and West German-controlled radio stations. Safely ensconced in West Berlin they continued to fuel the illusions in the East even as they saw the uprising in East Berlin being crushed before their eyes.

Again 15 years later, influential supporters of the reformist Communist leader of Czechoslovakia, Alexander Dubcek, were urged on by Western politicians and officials who were delighted to see the Czechoslovaks thumb their noses at Moscow. But when Soviet tanks rumbled into Prague on August 21, 1968, the most vociferous reformers—some of them former Party hard-liners—were the first to flee to the West.

One of the dissidents who remained true to his convictions and has refused to leave for the West is Jiri Dienstbier, a 47-year-old ex-Communist and former correspondent in Peking and Washington. Together with Vaclav Havel, Czechoslovakia's best known playwright and co-author of the Charter 77 Manifesto, Dienstbier has spent nearly four years in prison since 1979 on charges of subversion. He says the authorities since last year have halted "everyday persecution" of the Charter activists which had gained the government such notoriety in the West. But he is still regularly called in for questioning by the police where he routinely gives a "no reply" response.

Eastern European governments ignore international accords on human rights Leslie Colitt reports on the follow-up to the Helsinki Conference in Vienna

offices—in a house owned by one of the members—reverberated to the beat of recorded and live jazz and was packed at all hours with mild-mannered young people. What enraged the authorities though was that the group had become Czechoslovakia's leading underground publisher. The leaders were arrested and accused of engaging in a lucrative illegal business, an offence punishable by up to eight years in prison. Czechoslovakia's main party newspaper, Rude Pravo broke the official silence recently charging the seven with "criminal activities under the cloak of jazz lovers." No section of the 1974 Helsinki Declaration, it added, sanctioned such a crime.

This was a pointed reference to the opening earlier this month in Vienna of the third follow-up meeting to the Helsinki Conference. Western countries, especially the US, plan to confront the Warsaw Pact signatories with a catalogue of human rights violations at the lengthy session.

The last Helsinki follow-up conference earlier this year in Bern ironically ended in an own goal kicked by the US delegation which refused to accept a compromise document tabled by neutral countries. By concentrating wholly on the emigration of Soviet Jews to Israel, the US—to the chagrin of its allies—deducted from all the evidence presented on human rights violations in Eastern Europe.

Romania, which has the harshest cultural and political climate in Eastern Europe, was produced one of its most remarkable dissidents, Mihail Botez, notes that successive US administrations have always been more interested in emigration from Communist countries than in improving the human rights situation of those who remain behind. The gifted mathematician, who headed Romania's Institute for Future Studies until he was deported in 1977, is one of Romania's few audible dissidents. Normally, Romania's opponents are swiftly dealt with by the Securitate, the all pervasive security police, and as a result nearly all of them have given up and emigrated. Botez lives in the former servants' quarters behind a large white villa in Bucharest from which his family was evicted when the Communists took power in December 1947. The soft-spoken, well-faced Romanian, whose

features have aged well beyond his 45 years, receives visitors in his shabby, book-lined study with a coal stove in the corner. Although openly critical of Romania's economic development under President Nicolae Ceausescu, Botez has so far managed to avoid arrest. The reason probably lies in his influential connections in the US where he spent a research year in Washington ten years ago. The Romanian Government does not want added problems with the US where there is mounting criticism in Congress of Bucharest's human rights record.

His outspoken criticism at university lectures and the Party Academy before being deported, concentrated on President Ceausescu's grandiose economic schemes. The huge new petrochemical plants and steelworks were misplaced, he noted, in a country which was running out of oil and had neither enough coal nor iron ore for a large steel industry.

With the advent of Charter 77 in Prague, a wave of hope came over Romanian intellectuals and led to the formation of a human rights group in Bucharest by the prominent Romanian writer, Paul Goma, who is now in the West. But at that very point, Botez said, President Carter, the "champion of human rights" invited President Ceausescu for yet another visit to the White House. "It was a disaster for us," Carter praised his wisdom and experience and the result was that almost all human rights activists in Romania decided to emigrate.

Today, he is not permitted to publish or to make statements. Under a 1973 Romanian law and an unpublished decree earlier this year it is a crime for Romanians to even speak to foreigners without official approval. The main reason for his isolation from ordinary Romanians, Botez suggested, is that unlike Poles, who stick together in times of adversity, the Romanians feel alone, weak and at the total mercy of their leadership which is recognised by the entire world. Despite the steady deterioration in economic conditions in Romania since the early 1970s, Romanians seldom protest. They stand dejected in long queues before barren butcher counters, unable to obtain even their meagre meat rations. In the winter, they endure silently under curtailed heating and electricity as well as banned private cars and taxis. Even bread, the staple of the Romanian diet, is stretched with oats.

Until the late 1960s, though, the Communist leadership had made undeniable progress in raising living standards which were among the lowest in Europe before the war. An ambitious housing programme had provided flats for many of the peasants who came to work in the new industries. Now, however, the government has razed an entire Bucharest neighbourhood of small homes in order to make way for the monumental Victory of Socialism boulevard crowed by a sprawling new Presidential Palace and flanked by government buildings. Botez argued that the entire economic system has become an illusion, including the plan fulfillment statistics. But impossible economic targets evoke scarcely a murmur of disagreement from officials who would not have been appointed in the first place unless they were pre-



Drawing by Christopher Priestley

pared to take part in the nationwide coverup of unfulfilled targets. The leadership, he said, knows full well that it is being lied to by its officials but says nothing. Criticism is stifled by deceit, he said, and further discouraged by the constant rotation of ministers and senior party officials. The real "triumph" of the last 20 years of Communist rule, Botez remarked, is the total control the party has achieved over every sphere of life. The West is far from blameless in this situation, he noted, because of its "fixation" on emigration from Romania. Thus, Washington pressured Bucharest into allowing Romanian Jews to leave for Israel in return for which Romania was granted Most Favoured Nation (MFN) trade rights in the US. Similarly, West Germany gave in to Romanian demands for payment of DM 7,000 for each ethnic German allowed to emigrate to West Germany. Jewish emigration has long since been reduced to a trickle as there are only about 30,000 Jews left in Romania, mainly the elderly. But some 14,000 ethnic Germans are let out of the country annually which results in Romania receiving high marks from Washington regarding

emigration. Congress each year renews Romania's MFN status despite what the State Department acknowledged to be the "harsh domestic repression" of dissent in Romania by a "tough, unattractive regime." The other important reason for Romania's popularity in the West, especially the US, has been President Ceausescu's refusal to accept Soviet influence over his country. Botez insists this is often more appearance than reality but few acts earned Romania greater acclaim in the US than its decision to take part in the Los Angeles Olympics in 1984 despite Moscow's boycott.

Eppelmann, stunned the leaders of his church in 1983 when he and like-minded East Berliners issued an appeal calling on the Soviet Union and the United States to remove their missiles and troops from East and West Germany. His superiors—intent on preserving the delicate accord between Church and state—were specially perturbed by the call for a reunited Germany.

The pastor, who bears a remarkable resemblance to Lenin, was taken into custody in November 1983 but released at the behest of the Church. One leading churchman brusquely reminded him afterwards that the peace movement was merely "one cup in our cupboard." Mindful that the main appeal to young East Germans of the once powerful Protestant Church was its support for the peace movement, Pastor Eppelmann retorted: "You are wrong, the cupboard is the peace movement."

Hungary, which has Eastern Europe's most liberal Communist regime, has spawned only a few dozen dissident activists—nearly all intellectuals. Their main activities are underground publishing, aiding the poor and warning of environmental dangers.

There can be no more dramatic contrast to the isolation of most dissidents in Eastern Europe than the Polish situation. In Poland, the opposition encompasses the vast majority of Poles while activists swim in a sea of like-minded compatriots. This remains so despite the widespread disillusionment of Poles who largely ignored the appeals of the outlawed Solidarity union.

The network of Poles who share basic political views, explains why it took years for the authorities to capture the leaders of Underground Solidarity. Every Polish schoolchild knows that it was clandestine resistance and the Church which kept alive the nation during the 123 years of Poland's partition by Prussia, Russia and Austria until 1918. Today, being sent to prison for one's convictions in Poland is no less honourable than it was in the past. The nearly 800 titles issued by underground publishers in Poland attest to the strength of alternative political thought.

This unabated opposition to what is known in Poland and elsewhere in Eastern Europe as "the power" has made Poland the most pluralistic of East European countries. Yet the fundamental deadlock persists: the authorities are not able to win over the population, while the opposition cannot drive the Communist Government into submission. But while the deeply-rooted opposition in Poland will persist and express itself in new political forms in the future, the sprinkling of dissidents in the other East European countries are in a far more precarious situation. Their immediate survival is likely to depend not on loud, threatening gestures by Western Governments but on quiet, persistent diplomacy to protect them from arbitrary arrest and imprisonment.

A recent joint appeal signed by more than 100 dissidents from five Eastern European countries was hailed in the West as a major breakthrough for the opposition. The signatories pledged to "struggle" for political democracy, pluralism, the "peaceful reunification of Europe" and minority rights in their countries. The dissidents themselves, however, are understandably less euphoric about their prospects of success. They realise that ultimately their wider influence in Eastern Europe will depend on whether they can bridge the gulf of fear and apathy which separates them from their countrymen.

The Long View

How Wall Street's sharks evolved

CAN IT be that the British have no worthwhile secrets left? If you are following the court hearings in Australia, you may suspect it, and the current financial scandals seem to carry the same message. Both in London and Wall Street the same crime—if you think it a crime—is being uncovered. Insider dealing, one of the latest culprits caught in New York has already agreed to pay a little matter of \$100m—half profit, half penalty—whereas the first two caught in London were trying to make profits of £15,000 and £800 respectively. Did anyone say whizz kid?



Why do American investigators net sharks while those in London catch minnows? It is not that the Americans are more ruthless, argues Anthony Harris, but that they have a different type of financial crisis.

It's not as if London deals were not in the world class. This week's £1.6bn BTR bid for Edington would attract a good deal of attention even in Wall Street. It is not even that the bid was hardly a surprise. Although the likelihood of the BTR bid was widely canvassed, and showed in the share price, Wall Street also keeps its eyes open. They have become so nervous that until the Boesky scandal the price of every possible victim of a bid was inflated. It is not until you look at the nature of the bidders, and indeed of the insider dealers, that the contrast between London and New York becomes plain. In London the bidder is BTR this week, Hanson in some other week, and perhaps even GEC if it can ever bear to part with its money. These are all major industrial groups, bidding with their own resources. The insider traders are also speculating with their own money.

The raiders of New York are very different: individuals who have emerged from apparently nowhere, and who operate not with their own resources but with very expensively borrowed funds. The insider traders can also afford to take huge positions because they can stand to borrow on a huge scale. The importance of debt is

able to a bid has just become unbearable. It is, true that things have never been quite so extreme in London: though we in Britain too have had our period when previously unknown operators mounted big bids, when asset stripping was at the sharp end of financial activity, and when high corporate debt was taken as a sign of vitality. It happened in the 1970s in the flood of silly lending which followed the liberation of the banks in 1971. This comparison is instructive. In every period of financial folly in history, you will find a flood of credit at the root of it. In every take-over fever in history, you find corporate shares trading at a discount to break-up value. As a detective, one might say this provides the means and the motive; an active stock market will provide the opportunity. In this sense, the Wall Street sharks are swimming on the same sort of tide which floated the fringe banks of London 15 years ago. What is novel in Wall Street is the sheer scale of corporate fright. The raiders, with their access to apparently unlimited finance, have left no company feeling safe. The result is to leave the balance sheets of many major corporations which have remained independent just as over-exposed to high cost debt and just as unstable if there should be a business downturn as if the raiders with their junk bonds—what we more soberly call unsecured loans—had done their worst. And they have done it with their eyes open; the term "junk bonds" is a whole commentary in itself.

It could all only too easily turn sour. It will take some very delicate management by the Federal Reserve Board to maintain enough growth—or failing that, to maintain just enough inflation—to keep the companies which have issued these bonds in a position to service them. A real downturn in the US economy could produce a wave of commercial defaults, and the rage of investors will no doubt be turned on the corporate raiders and the bad financial example which they set to the whole American corporate system. But the real blame, surely, will lie in a banking and credit system which provided the means.

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Chronograph 02
Designed by Ferdinand A. Porsche
Manufactured by IWC Schaffhausen
Light-weight - Automatic movement
Sapphire crystal - Integrated stem and controls - Waterproof to 180 feet
PORSCHE DESIGN

Scandals help to skim the speculative froth

FEAR AND greed, the emotions which are said to provide the basic lifeblood of all stock markets, have been on naked display in London this week...

The fear stemmed from the bizarre concurrence of insider trading scandals on both sides of the Atlantic. On Wall Street, Mr Ivan Boesky, one of New York's leading arbitrageurs in the shares of companies involved in takeovers...

round problem companies and is highly regarded in the City. Pilkington Brothers, which can trace its history back to the dawn of the British industrial revolution...

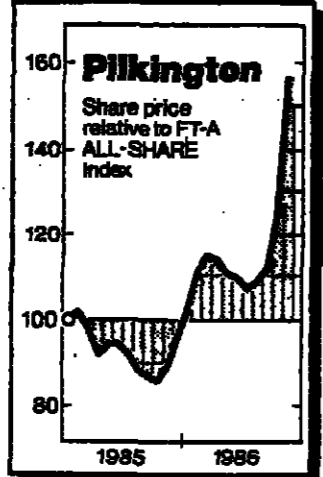
Its recent profits record has been very mixed, due in part to a ferocious price war in the European glass industry...

London

to a ferocious price war in the European glass industry and the decline of the UK motor industry. But after a radical restructuring under Mr Antony Pilkington, its chairman...

The conflict is likely to be presented by the Pilkington camp as a stark contrast of values which goes to the heart of the debate over the future of British industry...

Such a characterisation may turn out to be an oversimplification. But the fact remains...



that BTR is going to have a tough time convincing sceptical City analysts that the medicine it has used to such good effect at allied companies in the past is really of any relevance to Pilkington...

HIGHLIGHTS OF THE WEEK

Table with columns: Price, Change, 1986, 1986, Price, Change, 1986, 1986. It lists various financial indices and company shares like FT Govemant Secs Index, FT Ordinary Index, Avana, etc.

Lustre and fluster

THE JEWELLERY business showed its glittering and its tarnished sides this week, as two USM companies, Abbeystret and Acasis, reported markedly different results.

Abbeystret was founded in 1979 by Michael Lever, a dentist, and his friend Peter Rosenberg, a jeweller...

Their strategy was to avoid manufacturing, by employing lower-cost foreign sub-contractors working to Abbeystret designs.

The UK jewellery market is fragmented and Abbeystret's distinctive designs were much appreciated at a time when fashion was replacing investment as the motive for buying jewellery.

Lower-price jewellery encourages multiple purchases, and when the group joined the USM in May 1985...

the growing importance of earnings in Abbeystret's range. That has forced a change in strategy...

Abbeystret is protected from the volatility of the gold market by a facility with N. M. Rothschild...

The group's pre-tax profits have risen sharply from £218,000 in 1981 to £760,000 last year.

USM UNLISTED SECURITIES MARKET

is switching to a December 31 year end, and in the 12 months so far reported, profits have risen to the £1m mark.

The picture looks distinctly less rosy at Acasis Jewellery, the retailer which joined the junior market in 1981.

looked like reaching the pre-float profits of £555,000. In the year to July 31, 1982, it slumped to a £18,000 pre-tax loss...

Acasis began as a shop in the King's Road, Chelsea, early in the 1970s. By 1981, the company had built up three shops of its own and 68 shops within shops...

However, the recession hit just after Acasis joined the market and, ever since, the company has been reducing outlets and viable costs to try to create a viable group.

Sadly, competition remained intense, with a consequent pressure on margins, and even the £1m capital injection by Birmingham Mint in 1984 failed to stem the tide.

Lever, with his young management team (the finance director is only 27) is confident about the future and says: "There is tremendous potential in the UK jewellery market in view of the value offered by the present generation of jewellery retailers...

Vigour is paying off for Allied

THE VIGOROUS promotion by ALLIED LYONS of its branded products now looks to have become an integral part of the group's way of life rather than just an element in the defence campaign against the abandoned Elders IXL bid.

The City is therefore expecting that Tuesday's interim results from Allied will see a solid rise before property gains around £130m, against a clean £108m for the six months to the end of August 1985.

aming Allied on its fundamentals—and that has to mean coming to grips with what contribution Hiram Walker, in which Allied has a 51 per cent stake, will make to the group this year and next.

Given this week's Whitbread figures, which indicated that the North American drinks market might not be very buoyant at present, guidance on the integration plans, debt reduction and recent trading performance will be eagerly awaited.

COURTAULDS, the textile and chemical group which yesterday bid £28.2m for Fothergill & Harvey, should show a strong advance when its interim figures are announced on Wednesday.

Hogg. Things are going particularly well at the moment because the company's raw materials costs have slumped dramatically owing to the fall in petrochemical prices.

No one is looking for much sparkle from DAWSON INTERNATIONAL when it announces its interim results on Thursday. Most analysts are expecting the pre-tax figure to come out not much ahead of last year's £14.6m.

But it would be as well to add a note of caution—if major mining houses are busy selling off stakes in their North American gold subsidiaries...

increase in its cheap "seats only" charter flight programme, and late in October it opened its assault for next year with offers of a week in Greece for £29.

With a 1986 share of the package holiday market estimated at 25 per cent, ILG is now level pegging at the top of the tour operator league with Thomson.

FINANCIALLY, ILG's position has been strengthened by the signing of an £65m syndicated bonding facility at the end of September. This should help back the planned 35 per cent expansion of turnover for 1987-88.

Party's over for precious metals

IT LOOKS as if this year's long party in the precious metals markets, which began in the summer and lasted well into the autumn, could now be over.

More than a few investors were left with hangers on this week as gold and platinum fell sharply through the psychologically important but otherwise insubstantial barriers of \$400 and \$500 an ounce respectively.

The only consolation is that most of the falls came in a couple of busy days early in the week—since then the new levels seem to have held.

South Africa, the mining house which is controlled by Consolidated Gold Fields, blamed arsonists for a serious fire at Kloof gold mine.

Kloof is one of several Gold Fields mines hit by wildcat strikes in support of a pay claim by the National Union of Mineworkers which is trying to win court approval for a strike ballot.

However, the real excitement about Battle Mountain is its prospect at Pajingo, in Queensland, Australia, where the company earlier this year announced reserves of 500,000 ounces. A 60,000-ounce-a-year mine is planned which should start production in 1988.

Results due next week

mix, which helps to explain the expected strong performance of the clothing side despite the poor high street conditions created by the dismal spring.

One of this week's visitors was Granges Exploration, smaller than Freeport or Battle Mountain but hardly less ambitious. The Vancouver-based company reported earnings for the first nine months of this year of 4 Canadian cents.

port-McMerran, is in London next week to explain a public offering of 3m shares, 2m of them to be sold by the parent company which will cut its holding from 94 per cent to 77 per cent.

But it would be as well to add a note of caution—if major mining houses are busy selling off stakes in their North American gold subsidiaries can it be a good time to buy?

Stefan Wagstyl

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Table with columns: Company bid for, Value of bid per share, Price of bid, Value of bid, Bidder. Lists various takeover bids and deals.

PRELIMINARY RESULTS

Table with columns: Company, Year to, Pre-tax profit, Earnings, Dividends. Lists preliminary financial results for various companies.

INTERIM STATEMENTS

Table with columns: Company, Half-year to, Pre-tax profit, Interim dividends. Lists interim financial statements for various companies.

RIGHTS ISSUES

Leisure Investments—To raise £8.25m through a rights issue of 7 per cent convertible-redeemable preference shares...

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Fletcher King—Offer for sale of 2.3m shares at 175p. Spandex—USM placing of 8.5m shares at 170p.

TELEX TO: PUBLIC RELATIONS DEPARTMENT BANKS (large, medium and small) WORLDWIDE. FROM: THE BANKER - Annual Report Department (Telex: 237000 FINBI G)

Table with columns: Company, Announcement, Dividend (p), Last year, This year. Lists dividend announcements for various companies.

Handwritten signature and date: J.P. 11/50

Downfall of a 'king'

OH DEAR! No sooner had the ink dried on last week's column than the Feds, in the guise of the US Securities and Exchange Commission (SEC), announced that they had nailed Ivan (The Terrible) Boesky, the biggest and most feared speculator on Wall Street.

The mere mention that "Ivan is buying" sent dozens of shares spiralling upwards in the rumour-crazed trading over the past few months, and the news that Boesky had been fingered as Mr Big in the worst insider trading scandal since the 1920s sent many investment bankers hurrying to see their lawyers.

As the drama unfolded this week, Wall Street was further shaken by the revelations that Boesky, in a bid to escape a hefty jail sentence, had apparently agreed to help the SEC by tape-recording some of his more "sensitive" conversations. It is going to be an uncomfortable Thanksgiving holiday next week for some of Boesky's erstwhile friends as they ponder whether they may have incriminated themselves in the "Boesky tapes."

"Ivan Boesky's singing is going to make Placido Domingo look like an amateur," observed one cynical investor last week as Wall Street watched the ripples of the affair spread across the financial community. It is far from clear how far, and how deep, the official investigations will extend, and the major

brokerage firms are nervously preparing themselves for an expected backlash on Capitol Hill when Congress gets back to work in the New Year.

John Gutfreund, the chairman of Salomon Brothers, says that the "Boesky affair" will prove all the suspicions that the public might have that Wall Street is just full of a bunch of insiders taking advantage of them. Boesky, was the "king of the arbs" — the speculators who bet heavily on the outcome of takeovers — and it was not unknown for him to win or

Wall Street

lose \$50m on a big takeover. He played the market night and day, with upwards of \$28m or other people's money, and at the peak of his power he could make or break a giant takeover. His fall from grace, has not come a moment too soon for some people, and there is a widespread view that he will escape with part of his \$150m fortune intact.

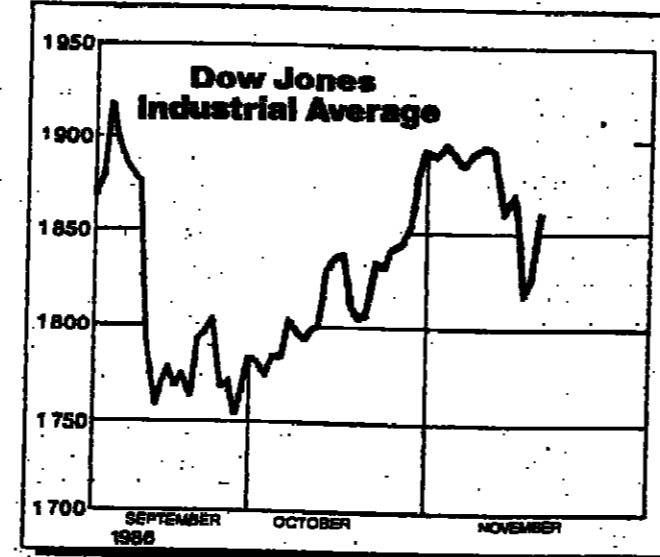
"Here is a guy who gets fined \$100m and I'll bet he can take it out of his Christmas blub account," said Robert Mercer, the embattled chairman of Goodyear Tire and Rubber Company, which has been a favourite target for the "arbs" in recent months.

There is a growing feeling in

the rest of the US that this week's financial scandal on Wall Street is reminiscent of the insider trading abuses of the 1920s when wealthy financiers thought they could fix the market and were above the law. The fact that Boesky was allowed to unload close to \$400m of shares in several of the most popular "takeover plays" days before the announcement of his involvement in the insider trading case, has been tagged the greatest insider trade of his career and has led to fierce criticism of the SEC.

The Boesky affair has taken a lot of steam out of the takeover plays which had been pushing the market higher in recent weeks. Among the major casualties were Gillette, GTE, E. F. Hutton, Trans World, Borg-Warner, Lockheed Corporation and Holiday Corporation. The shares all took a major beating as the rampant takeover rumours of recent weeks evaporated.

One of the first actual casualties of this week's rumpus has been Sanford Sigoloff, or Ming, the Merciless, whose plans to aid Lear Siegler, the Californian conglomerate which makes everything from Smith and Wesson handguns to Piper aircraft, to his last-expanding Wickes empire ran into little difficulty after his bankers became nervous about his ability to refinance his \$1.7bn. Lear Siegler's shares plummeted by \$12 this week and by yesterday



morning were trading at \$81. Drexel Burnham Lambert, the New York investment bank which has pioneered the junk bond market so heavily used by companies like Wickes, has also been working overtime this week trying to maintain confidence in its continued ability to raise junk bond finance for the corporate raiders. Ronald Perelman, one of the younger generation of these continued to press ahead with his \$4bn bid for Gillette in spite of some nasty lawsuits, and reiterated his confidence in Drexel Burnham's confidence that it could deliver the necessary financing. However, the stock market remains sceptical and Gillette shares, which had been trading at a substantial premium to his \$85 a share offer last week, were

being quoted at \$58 yesterday morning.

The stock market is also losing confidence in Carl Icahn's ambitious plans for USX Corporation, the country's biggest steel-maker. Apart from denying that he was in any way involved in the Boesky affair, Icahn has been keeping a very low profile lately and nothing has been heard of his earlier \$31 a share offer.

However, just when Wall Street appeared to be giving up hope about the prospects for future corporate raids to bolster a sagging stock market, it walked Sir James Goldsmith from stage right with the news that he had forced the 88-year-old Goodyear company to push through a monumental \$2.5bn restructuring.

Sir James has dropped his

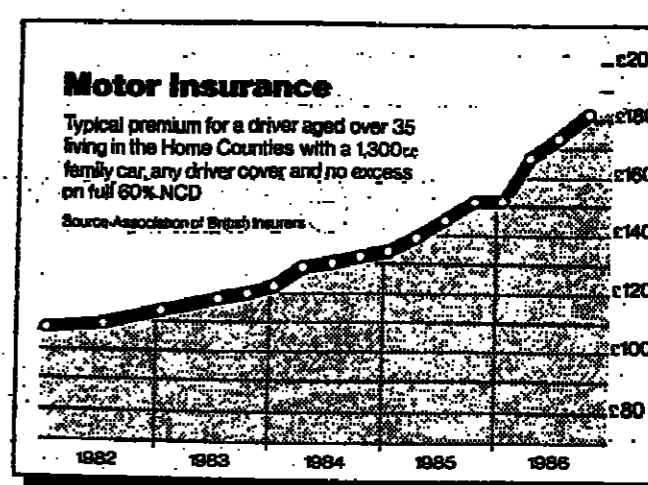
\$49 a share bid and is selling his \$12.5m shares back to the company for \$49.50 apiece, a premium of \$7.20 over his buying price and a premium of roughly the same amount over yesterday's price of \$42.

This smells of "greenmail" to everybody on Wall Street except Sir James and Robert Mercer, the chief executive of Goodyear, who formed their plans over lunch at the Hay Adams Hotel in Washington on Tuesday. Sir James notes that the rest of Goodyear's shareholders are being offered the chance to sell back roughly half their shares to the company for \$50 — a premium of 50 cents over his price — and will retain a stake in a company which, its investment bankers say, should be worth between \$50 and \$60 a share.

According to Sir James, the fact that Goodyear's share price is nowhere near this level is the fault of the poor old arbitrageurs who in more normal times would have been in there buying. That said, there are a number of analysts who wonder if Goodyear will be able to survive the massive restructuring that has been forced upon it as its price for independence. Unocal, Phillips Petroleum and Union Carbide are examples of the industrial establishment which have been forced to undertake similar massive restructurings, and it is an open question whether they have long-term future.

MONDAY 1869.82 = 12.07
 TUESDAY 1817.21 = 43.21
 WEDNESDAY 1826.82 = 6.42
 THURSDAY 1868.66 = 34.83

William Hall



Driven to think

MOTORISTS HAVE seen their insurance costs rise by 20 per cent on average over the past 12 months, according to figures provided by the Association of British Insurers.

The average premium now paid by a mature driver (aged 35-plus) living in the home counties to insure a 1,300 cc family car is £182, compared with £151 a year ago. That covers any driver, assumes no excess, and allows for the full 60 per cent no claims discount.

At one time such an increase would have aroused considerable wrath from motorists. But a period of high increases in the late 1970s appears to have made them immune to these rises. The difference is that in the 1970s premium increases merely kept pace with inflation, while the current spate of double figure rises compares with inflation around 3 per cent.

The main underlying reason for insurers — both companies and Lloyd's syndicates — making these increases is a rise in the number of claims compared with two years ago.

Guardian Royal Exchange Assurance, which is putting up its rates next month by 12.5 per cent, sets out five underlying reasons for this increase. But essentially it comes down to fast cars being driven by bad drivers, with cheap petrol ensuring that cars are used more often.

Two years ago, about 166 motorists in 1,000 made claims each year. At the beginning of this year it was 200 in 1,000. Now according to GRE, it has risen to 210 in 1,000. That said, claims experience does vary between insurance companies.

The other major factor, which insurance companies are more reluctant to publicise, is that motorists are now paying for the price war in the early 1980s. Then, in an effort to increase or hold on to market share, com-

panies kept premiums steady — with the result that underwriting losses steadily climbed. Now they are having to make larger increases than would be otherwise necessary, to try and get their motor accounts back into balance.

But if motorists are not complaining audibly, they are complaining with their feet and shopping around far more to get the cheapest premium. In this effort, they are being helped by the companies themselves.

For the past few years, insurers have been trying to identify better risk motorists and charge them lower premiums.

Basically, a low-risk driver is one who does not do much driving. The problem for insurance companies is to identify these drivers without too much hassle.

Some companies go after the commuter. Some go for the family man or the elderly driver — all these categories tend to leave the car in the garage for much of the time. Several schemes are available to cater for these drivers, such as Royal Insurance's CarShield 30 for the family man and CarShield 50 for the elderly driver.

A category now interesting some insurers is the younger woman driver. Generally, insurers are wary of young drivers as a high risk category of motorists. But statistics show that women drivers may not be quite as high risk as men.

So these companies are quoting lower rates for women compared with men of the same age — a feature that the Equal Opportunities Commission regards as blatant discrimination.

Alas, this does not conclusively shatter the myth that women are bad drivers. It merely reflects that in general they do not drive as frequently or as far as men.

Eric Short

Sugar regains some of its taste

tonnes, well below the 3m tonnes which had been widely forecast earlier.

Since then, however, C. Czarnikow, the influential London sugar trader, has published a report in which it sticks to its projection of a 3.5m-tonne draw-down from stocks in 1986-1987, following one of 3m tonnes in 1985-86. Czarnikow has also resisted its scepticism about the very high level of stocks reported by other analysts to be overhanging the market.

"We can only ask where they are," the report says. "Certainly, traders are beginning to be aware of a growing tightness in some areas where high stocks are sometimes reported to exist."

Christopher Pack, of Czarnikow, admits to being mildly bullish about the sugar market. "I'm not saying the current price is too low," he says, "but

the outlook seems to be for a continuation of gradually improving markets. By this time next year we could be seeing a very much more balanced market."

While traders have been looking in vain for signs of Soviet buying — a traditional preoccupation in the world sugar market — it has been the Brazilian situation that has lent buoyancy to prices throughout the autumn.

Although production has been hit by drought, consumption (at least apparent consumption) has been boosted by the Brazilian Government's anti-inflation measures. And with something like 70 per cent of cane output

committed to the production of fuel ethanol, it is the country's exportable supplies that have been feeling the pinch.

Brazil, which planned to export some 2.9m tonnes of sugar during the 1986-87 campaign, has been forced to negotiate this down to 2.1m tonnes. Even this figure might be beyond its capabilities, however. Pack estimates export availability from the last crop at only 1.5m tonnes, which could be boosted to 1.7m tonnes by drawing from stocks.

The world market is having to cope, meanwhile with continued Indian purchases, in spite of earlier claims that it would not need to import sugar this season. "The Indians are certainly importing less than the 1.6m-1.7m tonnes of recent years," says Pack, "but they could still need the best part of 1m tonnes."

Even if these factors do add up to a substantial price rise, however, it is unlikely to be enough to bring the world's producers back into real profit (excluding any price support element in their returns).

A report this week by Landell Mills Commodities Studies shows that in 1984-85 Malawi was the world's lowest cost cane sugar producer, at 8.7 cents a lb, while Chile was the most cost-efficient beet sugar producer at 13.9 cents. Even these star performers cannot make money while the world price remains below 6 cents, and with Landell Mills estimating world average costs for cane at 14.8 cents and for beet at 22.7 cents (both raw value), other producers are losing much more.

"Governments whose actions support their sugar industries must, when world prices are depressed, ask whether their sup-

port programmes are justified. If imported sugar is available at a lower price than locally produced sugar," Landell Mills argues.

Two such producers are the EEC and the US.

With high guaranteed sugar prices providing an umbrella for US producers of high fructose corn syrup (HFCS) as well as sugar producers, the political pressure for continued support will probably prevail in the medium-term over the interests of consumers and would-be exporters into the US market.

It is perhaps more likely that the EEC could be forced by budgetary considerations to rethink the support policies that are having such a depressing effect on the world sugar market and diverting EEC funds from other, equally pressing, needs.

"A World Survey of Sugar and HFCS Production Costs, Landell Mills Commodities Studies, 50-51, Wells Street, London, W1P 3FD.

Richard Mooney

Commodities

CONFIDENCE appears to be returning to the sugar market, albeit cautiously. Since its recent bull move ran out of steam 11 days ago, the market has shown no signs of falling away, as might have been expected, and this has encouraged traders to begin talking of a possible resumption of the uptrend.

The London daily raw sugar price — an indicator taking account of physical and future values — peaked in April at \$222.50 a tonne before sliding to a low of \$115 early in September. By November 11, however, it was back up to \$156. A modest subsequent fall has been mostly recovered and the price finished this week with a \$3 gain to \$152.50.

The halting of the sharp price rise was partly in response to a disappointing assessment of the statistical situation published by F. O. Licht, the West German sugar statistics consultancy. This suggested that the 1986-87 season would see a fall in world stocks of only 1m

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*Source: Money Management

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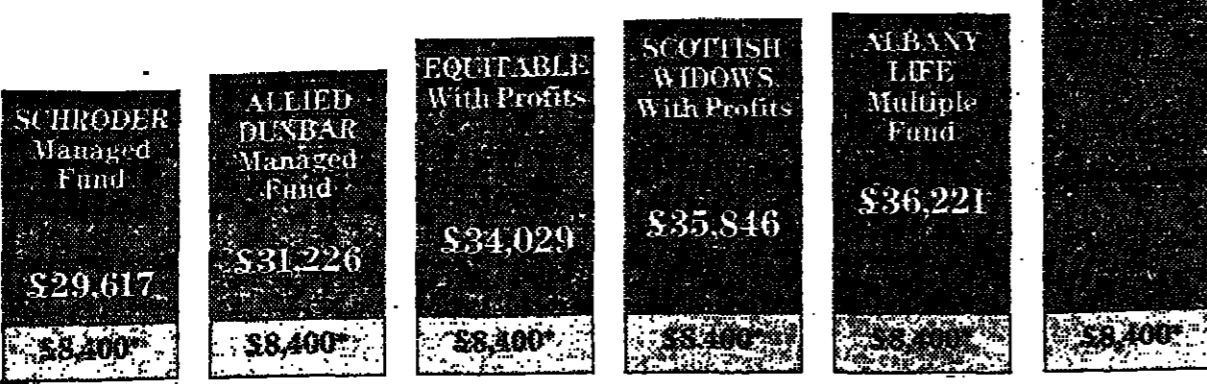
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WHITTINGDALE CHALLENGER FT22/11

INTEREST RATES: WHAT YOU SHOULD GET FOR YOUR MONEY

Table with columns: Quoted rate %, Compounded return for taxpayers at 45%, 60%, Frequency of payment, Tax (see notes), Amount invested £, Withdrawals (days). Rows include CLEARING BANK*, BUILDING SOCIETY, NATIONAL SAVINGS, MONEY MARKET ACCOUNTS, BRITISH GOVERNMENT STOCKS.

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Value of Pension Fund over 10 years to 1st April 1986. Source: Money Management, August 1986. Assumes 120 monthly premiums of £100. Amount Invested (Allowing for tax relief at 30%)

Target soars head and shoulders above all rivals in the pensions field. The Times, Saturday 26th January 1985. What it doesn't show, however, is that the Target Plan has out-performed all other personal pension plans over the last ten years.

Indeed the best performing contract in the survey was linked to Target's Managed Fund. The Daily Telegraph, Saturday 31st December 1983. All too often, this decision is taken as a result of comparing projected growth figures, whereas the only realistic basis for comparison is achieved growth.

Form for Target Pension Plan. Includes fields for Name, Occupation, Address, Postcode, Bus. Tel. No. and a 'Send to: Dept. MF, Target Group PLC, FREEPOST, Aylesbury, Bucks HP19 3YA.'

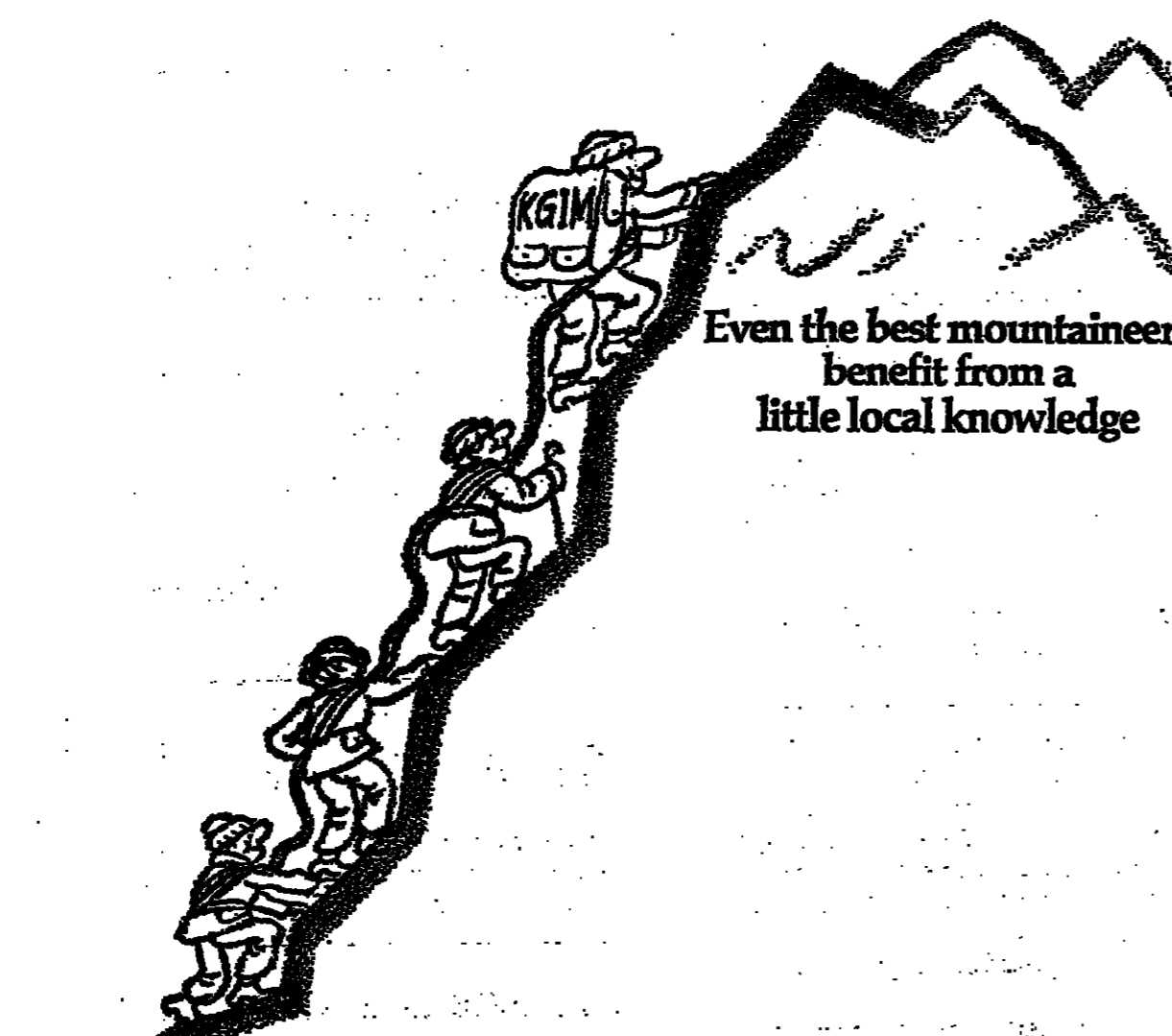
Eric Short looks at new proposals on sales of life policies Commission changes coming

Table: PROPOSED COMMISSION SCALES ON LIFE POLICIES: REGULAR PREMIUMS. Columns: Life contracts, Monthly premiums, Annual premium-commission %, Present scale.

ANYONE WHO buys a regular premium life or pension policy will see no more than 25 per cent of his money eaten up by salesmen's commission. Moreover, that initial commission payment may now be spread over the first few years of the contract rather than deducted in one lump sum at the outset.

These are the main radical changes being put forward by the Commissions Committee of the Life Assurance and Unit Trust Regulatory Authority (Lautro) for its industry commission scales applicable to life assurance and unit trust sales.

Lautro has set out four general principles underlying its commission agreement, the first two being that it must ensure the continuation of a healthy independent intermediary market and that commission payments should provide a fair reward to the intermediary.



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Table: GRANVILLE SPONSORED SECURITIES. Columns: High/Low, Company, Price, Change, Div. (%), P/E, Gross Yield. Lists various companies like Ass. Brit. Ind. Ord., BBS Dealng Group, etc.

Choosing a Unit Trust. Advertisement for Hargreaves Lansdown, mentioning 800 UK authorised unit trusts and offering a free copy of 'UNIT INVESTOR'.

Greenwood International Securities Limited. Advertisement asking 'DID YOU BUY SAMUELSON IN 1982?' and offering £5,000 now worth £86,500.

Richard Tomkins looks at a dilemma facing investors in British Gas

Taking the pick of two perks

INVESTORS WHO dither over the British Gas flotation but eventually resolve to settle for the shares might think their dilemmas are over. Not so: When it comes to filling in the application form, they are confronted by the unusual difficulty of having to choose between two dissimilar perks.

The first option is to go for vouchers which can be put towards the payment of any gas bill relating to the investor's household. People selecting this perk will receive £10 worth of vouchers for every 100 shares received, up to a maximum voucher value of £250. The vouchers will be released in £40 batches every six months from June next year, so someone receiving 1,000 shares would receive £40 worth of vouchers next June, another £40 the following December, and the remaining £20 worth in June 1988.

The second option is the share bonus payable at the end of three years. This perk delivers one free ordinary share for every ten shares the investor is still holding in December 1989 subject to a maximum of 500 free shares.

Both options evaporate when investors sell their shares and are not transferable to subsequent buyers.

For some investors, the decision over which option to adopt is made easy. People whose houses are not supplied by British Gas, for example—and that includes everyone in Northern Ireland, together with a fair few people in Britain—will find the vouchers useless. Further, the vouchers expire in September 1990, so people using very small amounts of gas could find it difficult to make full use of the perk, particularly if they share a household with someone else opting for the same perk.

Conversely, three years is a long time to wait for the bonus issue, and the entitlement to it is lost forever once the investor's core holding is sold, so anyone who cannot afford to tie their money up for such a long period should clearly go for the vouchers.

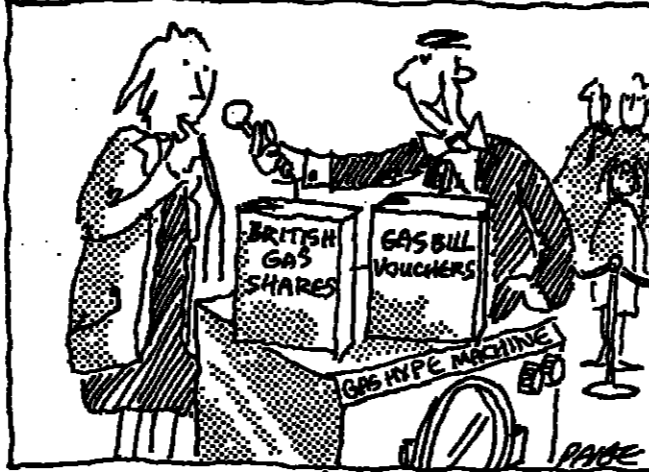
If none of the strictures apply, the matter becomes more complicated because any calculation of the relative values of the perks needs to take into account the value of the bonus shares in three years' time, which no one can foresee. Broadly speaking, however—and without taking into account the dividend payments due during the period—it works like this.

On the face of it, the bonus issue looks the better perk because on a one-for-10 basis, it will deliver a 10 per cent return at the end of the three years even if the shares never rise in price. The vouchers are worth £10 per 100 shares, but because 100 shares cost £135 at the issue price (albeit payable in instalments), the total return on this perk is 7.4 per cent.

Yet this ignores an important feature of the way the vouchers are issued, as the following two examples show. They are based on the supposition that the British Gas offer is heavily oversubscribed and that small investors end up with, say, 400 shares each.

Mr B opts for the bonus shares on his application form. His initial allocation is 400 shares, costing £540, but because this sum is payable in instalments, his average investment over the next three years is £448. In December 1989 he receives 40 free shares whose value we cannot foresee; but if the price is unchanged at 135p, they will be worth 40 x 135p = £54. Spread over three years, that perk is worth £18 a year, so the return on his £448 investment averages out at 4 per cent a year. (There will, of course, be dividends on top of this).

Mrs V also receives 400 shares but she opts for the vouchers. Unlike Mr B, she does not have to wait long for her perk: because of the way the vouchers are issued, she receives the whole of her entitlement—£40 worth of vouchers—in June next year. Admittedly she will have had to pay the second instal-



which would obviously have a multiplier effect on the effect of this perk. Another is that vouchers are only paid out on holdings of up to 2,500 shares, and the bonus issue is payable on holdings of up to 5,000.

Yet experienced investors are in no doubt about which perk they are going to choose. For them it has to be the vouchers.

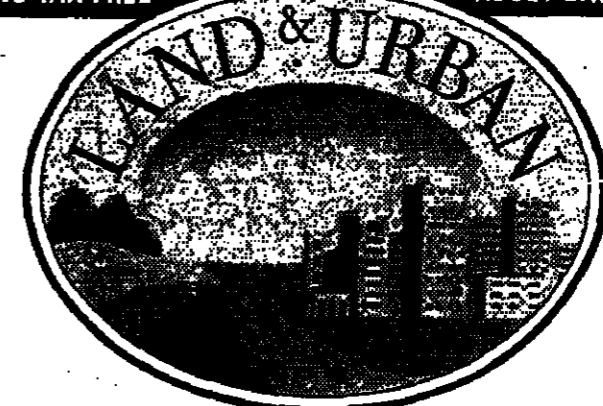
The reason for this is that no one can be confident that there will be a significant appreciation in the British Gas share price over the next three years. British Gas's rapid growth as a utility has settled down, and its shares are seen as attractive more because of the handsome dividends they yield than because of any likely soar in their value. This is not another TSB.

Further, the UK stock market appears to have entered a period of consolidation after its strong advances of recent years, and there is no guarantee that share prices generally will regain their momentum. There is also the small matter of the forthcoming general election, and the possible threat that British Gas may be nationalised.

Higher risks bring higher rewards, and this is a maxim that certainly applies to the bonus issue. For those who are certain that they are buying British Gas shares for the income from their dividends and are making an investment for the long term, the bonus shares are potentially an attractive incentive. But for those who are in any doubt at all about their long-term commitment and want to pull out if the going gets rough, the quick returns offered by the vouchers look the safer bet.

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The BT choice

THE LAST time investors were offered a choice of incentives in a flotation was in the British Telecom offer for sale on November 20, 1984—two years ago almost to the day.

Then, as now with British Gas, the choice was between vouchers which could be set against future bills, and bonus shares. About 60 per cent of applicants opted for the bonus shares. Did they take the right decision?

The shares were issued at 130p, of which 50p was payable on application, 40p in June last year and the final 40p in April this year. Most investors received 400 shares, so they have paid out a total of £520.

The bonus issue offered one free share for every ten held at the end of three years. There is still another year to go before the qualifying date, but at this week's price of 139p a share, the holder of 400 shares stands to receive £720 worth (40 x 180p) free.

Holders of 400 shares who opted for the vouchers would have received two £18 vouchers in June last year, so their profit is £36. That is less than half the potential profit being shown by those who chose the bonus share.

But this does not mean that voucher holders took the wrong decision. At today's price, the value of the bonus shares suggests an annual return of 6 per cent on the average investment of £427 during the three years. Over the same period the annual return provided by the vouchers is only 2.8 per cent.

However, vouchers were actually sent out to shareholders in June last year, giving a return of 12.9 per cent on the average investment in the first year even after taking into account the payment of the second instalment.

More important still, BT's share price has not performed particularly well recently in spite of today's big premium to the offer price. After rising to a peak of 278p in April this year, it went into a slide from which it is only now showing signs of bottoming out.

While those who opted for the bonus shares have gloomily been watching the value of their incentive slide, those who went for the vouchers have long since pocketed their perks and been free to take very large capital gains on their shares.

R. T.

Problem bundles

SMALL INVESTORS, now accustomed to short-term profits on the likes of British Telecom and the TSB, may find that getting rid of their British Gas shares is more expensive and more troublesome.

In the past, government share issues have contained special dealing arrangements for small investors, with certain stockbroking firms around the country offering to buy and sell at set commission rates. So will British Gas—but this time, these rates will apply only to bundles of shares worth £500 or under, compared with a £7,000 limit on TSB and Telecom.

The problem will really hit those selling share bundles worth £500-£1,000, who could easily run up against the new post-Big Bang minimum commission levels. At larger City firms, these now range around the £30 mark, although many provincial brokers quote a more modest £15 or under.

But the problem does not end there. Regional brokers have become wary of unfamiliar investors whose word on the telephone is anything but their bond. Many of the 60 firms which offered the special dealing rates on the TSB, including some of the larger regional co-ordinators like Leicester-based Hill Osborne or Stanciliffe in Leeds, have refused to deal for non-clients until an allotment letter is in their hands.

That means investors are obliged to post off the letters—effectively committing themselves to dealing with a particular firm—without knowing what price they will finally get.

The same set-up looks likely to prevail with British Gas shares. And pleading that you have previously dealt with a firm in Telecom or the TSB is unlikely to win you client status—"It is just not worth clogging up our register with people who

deal in the odd new issue," comments one country broker.

In fact, the problem will be exacerbated because of the delay between the start of dealings in British Gas shares—at 2.30 pm on December 8—and the posting of allotment letters a week later on December 15. Investors will know how shares are being allocated on the first day of dealings—the 8th—and will have a fairly good inkling of the amount they are likely to receive. But if they prudently wait until the letter reaches their own hands and then cannot deal until they have posted it on to the broker, it could be close to a fortnight after the first dealing date before they can sell.

Such wariness is not universal among regional brokers—Manchester-based Henry Cooke, Lumsden, for example, will still deal "blind" and Bristol-based Stock Beech is considering simply asking telephone callers for an allotment letter number. At least one of the major banks looks likely to beat the minimum commission per scale next week. But if there are quick profits to be had, investors may have to work a little harder to maximise them.

For investors living or working near the City of London, British Gas's lead brokers Hoare Govett are opening a "British Gas share shop" in Holborn next week. The shop, part of Hoare's existing premises, will distribute prospectuses and—once investors have received allotment letters—deal at the special commission rates, followed by a 1.25 per cent charge on bargains between £500 and £7,000, and at lower rates thereafter. Exchanging your allotment letter for a cheque, hopes Hoare, should take five minutes.

Nikki Tait

Special dealing rates on British Gas shares (excluding VAT)

Sales	Purchases
Under £150	Under £250
£151-£350	£251-£500
£351-£500	

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Aetna looks for a small earthquake

"THE UK company is owned by Aetna Life and Casualty, the largest quoted insurance company in the world. It's one of the 15 largest corporations in the States. I'm mentioning that only to make it clear we've got very powerful backing."

The speaker, John Hunter, is marketing director of Aetna UK, which started as a greenfield insurance operation in 1985 and then took a giant stride forward when it bought the Bristol-based Tyndall group from Globe Investment Trust last February. At the time, Tyndall's funds under management were some £700m, but Aetna has since sold the banking interests—handing around £200m—in order to concentrate on the investment management side.

Within that division, Tyndall's unit trust arm has now headed back to London. And the team has been reinforced with some top-level additions—namely a new investment director, Stephen Bamford, former head of UK funds at County Bank. What Bamford will do for the group remains to be seen—but he starts with a drab investment record on his hands. As the table shows, few of the Tyndall funds have beaten the sector average let alone featured among the top performers. True, the unit trust side has kept almost half its £220m funds under management in income trusts, and this speciality has produced some of

TYNDALL
Performance of selected funds to 1.11.86
Offer to bid, income reinvested
1=% growth 2=sector average 3=sector ranking/no. in sector

	1 year			2 years			3 years		
	1	2	3	1	2	3	1	2	3
Capital	13.4	20.3	90/124	58.4	85.4	78/95	107.8	195.3	72/74
European Growth	65.3	63.1	20/46						
Japan Growth	58.7	61.7	27/52	81.3	124.7	25/26			
Nth. American Growth	13.0	22.8	81/93	11.5	32.4	51/60	76.5	115.1	33/38
International Growth	30.5	32.2	52/95	39.0	63.4	58/73	138.1	180.4	32/54
High Yield	26.1	21.7	21/104	115.4	109.3	28/75	231.4	242.6	38/64
Income	25.7	21.7	23/104	109.5	109.3	29/75	239.0	242.6	34/64
International Earnings	14.7	17.1	58/91	67.2	88.0	66/76	144.1	205.0	61/68
Smaller Companies	19.1	20.3	62/124	77.1	85.4	54/95	163.2	195.3	53/74
Smaller Cos. Dividend	25.8	21.7	22/104	105.7	109.3	46/75	236.6	242.6	36/64

Source: Money Management

the better performance figures. Of the funds shown in our table, High Yield, Income, and Smaller Companies Dividend have done respectably, at least over shorter periods. But from 19 funds at present, the Aetna team expects to rationalise down to a core of 13 or 14. The Tyndall name must be relinquished by the end of March next year—part of the sale agreement of the banking concern—and the unit trust group then takes on the Aetna label. For unitholders, that rational-

isation will mean the merger or termination of a number of funds. In the event of a merger, unitholders will be offered new units in the enlarged fund. A termination, on the other hand, would probably involve the offer of a free switch into any other trust—something which has already happened with the group's two gilt trusts. Aetna likes to think of itself as having an energetic reputation—chairman Harry Kinloch is, according to Bamford, "a human dynamo"—but the

emphasis is on steady rather than dramatic growth. By contrast, the unit trust business has been seeing a small net redemption of units for some years now—scarcely surprising in view of its clutch of mature funds, which have not been over-successful at pulling in new business. Says Hunter: "Until our track record is established we can't expect a great amount of new business. The period of consolidation will probably take about a year." The sort of performance he

hopes to market will be steady rather than spectacular. "We want good long-term performance—consistent and regular, not high-flyers. Something people can feel confident about buying."

Hunter is happy to stick with Tyndall's role as an income specialist. The range of funds is good—and includes one of the industry's few preference funds, which has been a healthy performer in the gilt and fixed interest sector, and an unusual smaller company fund. The main market funds, as well as the smaller companies and financial and property funds, will also remain. Tyndall Capital will become Aetna UK Growth.

Bamford himself is not aiming for hands-on management. "What's been lacking here is direction. Someone to do some prodding. I've been demanding concentration on the things that matter." For example, the North American Growth portfolio, now in the hands of Tony Zueker, formerly with Sun Life of Canada, was too heavily invested in smaller company stocks and the record was poor. "We've now realigned it to give greater concentration on quality growth stocks." There has also been some reworking of the Japan Fund, now completed. The European trust, Bamford feels, is already in good shape. Not surprisingly, he is con-

fident that he can turn round the old Tyndall reputation for sleepy performance. "As we emerge as a new group with greater clarity of purpose, we will reverse the trend. We intend to be around for a long time."

Not much will probably be heard from the group between now and the official relaunch under the Aetna banner, due next year. Consolidation is being taken seriously and no new products are planned as yet. There isn't even a PEP scheme on the stocks. "We haven't developed one because we are not entirely clear what they will look like," says Hunter. "I'm doubtful that they can be marketed cost-effectively."

Aetna itself has a fund management company in the States—Federated—which operates around \$40bn in mutual funds and pension funds. There is no question, however, of the UK company becoming a clone. "We would import ideas from the US if we thought they were good," says Hunter. "The US group is not that close a fit. It won't impose things on us. There is a useful exchange of ideas." But is the US group prepared to fund the plans of its UK offspring? "Put it this way," says Hunter, "we haven't backed from any lack of buffering so far."

Christine Stopp

TOP-BUILDING SOCIETY RATES

Few restrictions Society/Account	True rate Net rate/£81/8.00	Investment Minimum
Wessex/Ordinary share	8.75/8.75	£500
City and Metropolitan/City Gold	8.75/8.73	£500
Frome Selwood/7-day notice	8.55/8.73	£500
Large balances/Immediate access		
Standard/Super Gold—monthly inc	9.30/8.71	£20,000
Standard/Super Gold	9.30/8.52	£20,000
Town and Country/Super 60	9.50/8.50	£20,000
Buckinghamshire/Added Advantage	9.25/8.46	£5,000
Scarborough/Retirement Bonds—monthly inc	9.05/8.43	£30,000
Notice accounts		
Haywards Heath/High Income		
3 months' notice	9.58/9.32	£5,000
Surrey/Gold Share 6 months' notice	9.62/9.35	£20,000
Mornington/Mornington 90—three months' notice	9.66/9.35	£1,000
Chesham/Special 4 term shares—3 months' notice	9.50/9.76	£20,000
Scarborough/Solid Gold—2 months' notice	9.50/9.76	£10,000

Source: Building Society Choice

Societies build up their rates

BETWEEN PUNTING on TSB shares and forking out for British Gas, Britain's swelling army of private investors re-planned building society coffers to the tune of £2bn last month. But how many picked the top-paying accounts? Although savings rates generally went up by 0.25 per cent at the start of November, there is an inevitable smattering of small societies which easily beat the industry average. True, a couple of double figure accounts—the Learning Spa's six month term share and a similar account from the Bolton, both of which paid 10 per cent net—have now been pulled off the shelves. But savers, short or long-term, still have plenty of options.

As a marker, the giant Halifax is currently paying 7.75 per cent net on sums of £500-plus in its Instant Xtra account; 8 per cent on £2,000 or more; 8.25 per cent on £3,000 upwards; and 8.5 per cent on £10,000-plus. On 90-day money, the "true" rate on sums of £500-plus is 8.94 per cent; on £25,000 or more, 9.2 per cent. Once £5,000 is invested, instant access is available. But those savers whose prime aim is to get at their money quickly will find that they can add a full 1 per cent if they shop at either the Wessex or the City & Metropolitan. The former's ordinary share account pays 8.81 per cent—with no minimum—which compounds to a true rate of 9 per cent.

The latter's City Gold account does not increase its rates until December 1, but thereafter it will pay an attractive 8.75 per cent on amounts between £500 and £4,999, and an even juicier 9.00 per cent on £5,000-plus. The big societies have become increasingly aware of the benefits of pulling in the large balances and so the relative advantage of small societies here is slimmer. Even so anyone with £10,000-plus at his or her disposal can still better their rates. The Tyneside-based Standard, for example, is paying 9.2 per cent on its Super Gold account, which with the monthly income option, equates to a true rate of 9.71 per cent. Minimum investment is £20,000. Alternatively, with only £10,000, savers can earn 9.5 per cent in the Town & Country's Super 60 account.

As for anyone who can swear they will not be tempted by British Gas or British Airways, the Surrey has just unveiled a new Gold-Share Account paying a true rate of 8.85 per cent, notice period for withdrawals is six months and minimum investment £20,000.

But the honours go to the Haywards Heath and to the Sussex County. The former's High Income account pays monthly income at 9.5 per cent net or a true compound rate of 9.92 per cent. Again, withdrawals are made on three months' notice and the minimum investment is £5,000.

The Sussex County, meanwhile, is guaranteeing a full 4 per cent differential over the ordinary share account rate—now 10 per cent until September 1987 provided investors keep their money in its new Guaranteed Bond until that date. They will also need to invest £25,000 upwards.

Finally, there is the cautionary rider for all building society investors: when rates go up, the Halifax reckons that around 12 per cent of its £3bn balances are now invested in accounts which have been closed. The Abbey National calculates that it has 1m-plus savers in its discontinued 7-day account alone. Some of these are still attractive, but others—like 7-day account money on sums of £2,000-plus—can easily be bettered. So shop around while the good times last.

Nikki Tait

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 First Name(s): _____
 Address: _____
 Post Code: _____ Date: _____

Signature: _____
 If the units are registered in more than one name, please attach the other unitholder's information to this application form.

NOTE: Applications received by 12th December 1986 will be dealt at the fixed price of 50p. After that date units will be available at the daily quoted offer price appearing in the national press. This offer may close earlier at the Managers' discretion.

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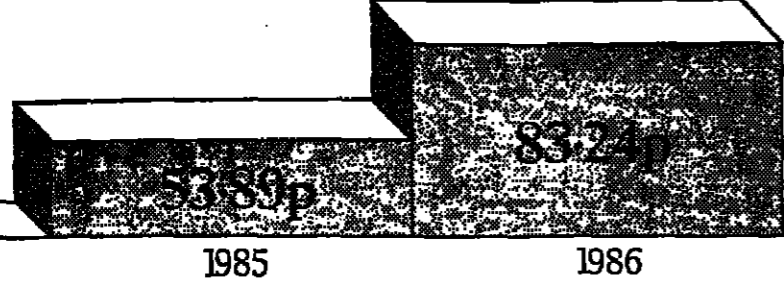
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FINANCE & THE FAMILY

Alice Rawsthorn takes a new look at the Business Expansion Scheme Buy-outs and inns and outs

AFTER A stream of the sort of property-related issues which the Budget attempted to outlaw, the Business Expansion Scheme has returned to more traditional territory in the last week or two with the introduction of a series of entrepreneurial issues.

Although management buy-outs have long been regarded as one of the most fertile areas of venture capital, buy-out investment has hitherto been restricted to the large institutions and merchant banks. But a few weeks after Johnson Fry launched the first BES for management buy-out companies, Gresham Trust has now launched the second.

The Gresham Trust Fund proposes to raise capital to divide between a group of management buy-outs. Gresham is already involved in buy-out investment, having channelled £5m into 20 or so buy-out com-

panies in the last four years. Through the buy-out fund, launched last Tuesday, Gresham aims to raise between £1m and £2m. Its two previous BES funds have mustered £1.8m and £1.1m respectively. The Johnson Fry Management and Leveraged Buy-Out Fund has already raised almost £1.5m.

By contrast, Ballecia is asking investors for £750,000 through the BES in order to expand its chain of Bally shoe shops. The company already operates six Bally shops— which sell classic shoes for men and women—on a franchise basis. It intends to open three more shops by the end of the year and has the option to launch nine more units.

The capital raised by the issue will be used to finance Ballecia's expansion plans. The company is already operating at a modest profit.

Jeniva Landfill aims to raise £250,000 in order to finance the launch of a Nottingham-based company which will operate in the more prosaic areas of skip hire, waste disposal and landfill. The issue is sponsored by Bolton House Securities and will release 250,000 shares at 100p a share.

A duo of catering issues has emerged from companies seeking capital in order to launch and expand chains of cafes and bars. The issues—County Inns from Baltic Asset Management and Cafe Inns by Johnson Fry—are asking investors for £2.5m and £3m respectively.

County Inns proposes to establish a chain of inns and off-licences in and around the Greater London commuter belt. The inns will be free houses, all providing food. Each off-licence will be tailored to suit the requirements of the local

market place, some as conventional High Street shops, others as wine warehouses. The company has already negotiated the purchase of two inns.

Cafe Inns is asking investors for capital in order to expand its group of pubs and cocktail bars and to open a chain of pastry shops. The company raised capital under last year's Johnson Fry BES Fund to finance the start of its business, which is now composed of cocktail bars—under the 'Harry's Bar' banner—and a more traditional form of pub—called 'The George'.

The company intends to expand these activities and to establish a chain of Victorian-style pastry shops, called 'Polly's'.

Finally there is Telephone Information Services—which intends to introduce three tele-

phone information services over the BT network. The first, Weatherall, should start later this month and TIS has a 10-year contract with the Meteorological Office for information supply. Racing—information supplied by the Racecourse Association—and financial news services should start in the New Year.

The market for phone information is opening up with certain BT services—such as Weatherline—due to be withdrawn by the end of 1987. But TIS will still be in competition with BT's Citycall and William Hill's Racing Service. It will split the revenue generated from calls with BT, and will remain dependent on BT's future charging levels.

The issue of 1m shares at 100p—like Ballecia, sponsored by Greenwell Montagu—is due to close on December 11.



Harry Graham (right) chairman of Cafe Inns with director Chris Hoole and Keith Seeley of accountants Crossley and Davis, at Burry's Bar, Chorley, Lancs

Name	Sponsor	Minimum investment £	Closing date	Min./max. to be raised £
Gresham Trust Fund	Gresham Trust	2,000	19/12	1m-2m
Ballecia	Greenwell Montagu	2,000	4/12	0.5m-0.75m
Jeniva Landfill	Bolton House Securities	500	28/11	0.25m*
County Inns	Baltic Asset Management	500	16/12	2m-3.5m
Cafe Inns	Johnson Fry	2,000	6/12	0.75m-3m
Telephone Information Services (Holdings)	Greenwell Montagu	2,000	11/12	1m

* Underwritten

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EVERYONE buying a house knows of the extra initial expense involved and various schemes, such as the low start mortgage, have been devised to offset the burden.

The latest idea for cost saving comes from Lincoln's

Inn Mortgage Services. This broker has devised a scheme whereby the borrower pays only 10 per cent, compared with the present 12.25 per cent, until May 1987.

The reduced rate is financed by the company rebating around half of the initial commission received on a low cost endowment contract; and the facility has been arranged with the Clerical, Medical and General Life Assurance Society, which put up the concept.

The borrower has to repay the mortgage by the endowment method using a low cost policy from Clerical, Medical. And although this life company offers a competitive contract, the scheme does impose a

major constraint on borrowers in that they have to take out this type of mortgage with a particular life company.

The scheme has other major constraints. The minimum mortgage is £30,000 and the minimum age of the borrower is 30, with a minimum annual income of £12,000.

The mortgage funds are provided by Chase Manhattan Home Loans—a member of Chase Manhattan Bank, the UK subsidiary of the third largest US banking group.

Lincoln's Inn Mortgage Services is at 63 Lincoln's Inn Fields, London WC2A 3JX.

FS INVESTMENT MANAGERS, Glasgow-based unit trust arm of FS Assurance, is joining the Personal Equity Plan, which is joining forces with Investors' Club to offer a full £2,400 as a lump-sum and 25 per cent of the money will go straight into the FS Balanced Growth Fund. Up to five per cent can be held in cash and the remainder is split between five to 10 UK shares. These equity investments will concentrate on capital growth and probably be second-line rather than the larger blue chips.

FS plans a front-end charge of £120, plus a management fee of 0.2 per cent per month. Investors will get a 5 per cent discount when they buy into the unit trust, but bear all commission on share deals.

ALSO INTO the FEP business is stockbroker Charles Stanley, which is joining forces with Fidelity Investment Management. Fidelity will administer the plan, but around 75-80 per cent of the investors' money will go into a portfolio of five to eight blue chip shares, selected and managed on a discretionary basis. There will be a 5 per cent initial charge with annual fees 1.25 per cent.

THE INLAND REVENUE is reducing the interest rate charged on late payment of inheritance tax. It comes down from 11 per cent on lifetime transfers and 9 per cent for death transfers, to 8 per cent for all transfers.

TWIN AIMS OF STEADY INCOME PLUS CAPITAL APPRECIATION.

THORNTON ORIENTAL INCOME TRUST

The Oriental Income Trust is Thornton's first unit trust to have the twin aims of both capital appreciation and steady income. To achieve these aims, Thornton will invest primarily in readily-marketable securities, using the best possible distribution of both the resources within the markets and also the investment vehicles available to them.

THE ORIENTAL OVERVIEW

Gains from Far Eastern stock markets, especially Japan, have come from capital appreciation, and not income. The dividend yield in the Tokyo stockmarket for example, is only 0.5% compared with over 4% in London.

In the last few years though, an increasing number of Japanese companies have issued Convertible Bonds, allowing investors access to capital appreciation of the underlying equity, while earning income from the coupon of the bond. The bonds allow investors to convert into common shares at a predetermined price.

EXCELLENT OPPORTUNITIES FROM SAMURAI BONDS AND EURO-YEN BONDS

With yields of 6% and more being available, Japanese Government Bonds, Samurai Bonds and Euro-Yen Bonds offer an excellent risk/reward profile, while allowing investors to participate in a potent aspect of the economy of 'Japan Inc', the Yen.

Elsewhere in the region, dividend yields tend to be significantly higher than in Japan. Currently attractive yields are found in high-quality companies in Hong Kong, Singapore and in other Asian countries. Since the economies of most of these countries are loosely pegged to the US Dollar, they are major beneficiaries of the problems of Yen strength for the Japanese economy.

THE CONSTRUCTION OF THE PORTFOLIO

Investors are reminded that the price of units and the income from them, can go down as well as up.

With this in mind, Thornton have considered five major factors in the strategy for the new Oriental Income Trust.

- The optimum balance between the vehicles employed in achieving a high yield—straight bonds, convertible bonds, warrant bonds, high-yielding equities and cash.
- The selection of the best possible companies in whose instruments—common equity or equity-related debt—investors can appropriately participate.

GENERAL INFORMATION

Units are dealt in daily and the prices and the yields are published in the Financial Times and the Times.

Contract notes will be issued within seven days and unit certificates within six weeks. If you sell your units, payment will normally be made within seven days of receipt of the requested unit certificates.

An initial charge of 5% is included in the offer price of units (current maximum 9%). An annual charge of 1.5% plus VAT of the value of the Trust is deducted monthly from gross income (current maximum 8%). Remuneration will be paid to authorized advisors by the Managers and rates are available on request.

The Trust makes two distributions a year. An interim distribution on 30.4 and a final distribution on 31.12. The estimated gross starting yield is 5%.

Unless requested, Unitholders will receive accumulation units for which distributions will be re-invested directly in the Trust.

Units will be valued each day and units may be bought at the offer price during the day of receipt of the order.

The Managers are Thornton Unit Managers Limited, Park House, 10 Finsbury Circus, London EC2M 7DL. (We enclose a cheque made payable to Thornton Unit Managers Limited for £2,000 (minimum £500) to be invested in the Thornton Oriental Income Trust.

Please tick the box if you require income units in which case distributions will be paid to you.

Surname (Mr/Mrs/Miss) _____
 Full Forenames _____
 Address _____
 Postcode _____
 Signature _____ Date _____

Joint applicants should sign and give details separately. This offer is not open to residents of the Rep. of Ireland nor US nationals or residents.

IN EUROPE, IT TAKES EXPERIENCE TO PUT THINGS IN PROPORTION.

Europe has got a lot going for it. In recent years, European governments have become more concerned with boosting industry and encouraging the development of newer, more efficient plants. And as a result, European company profits have begun to rise substantially.

But it stands to reason that, from now on, the prospects for substantial capital growth—from whatever size of company—are more likely to be with those European shares which have not yet been discovered and traded up by the average institutional buyer. That's where Henderson's European Trusts, and in particular the Henderson European Smaller Companies Trust, come in.

SMALLER COMPANIES ARE NOW CATCHING UP

In any bull market, larger companies move first and smaller companies catch up later. This has happened in Europe. If other markets are a guide, it could continue for quite some time.

However, it takes an investment manager with depth of experience and a wide range of contacts across Europe to be able to pinpoint genuine European growth stocks ahead of the herd. Those are exactly the kind of shares which you will find in the Henderson European Smaller Companies Trust's portfolio.

LONG EXPERIENCE IN EUROPE

Henderson has been managing investments internationally for over 50 years. We have over £5.2 billion under management. We have been investing in Europe for over 15 years and now manage well over £700 million across all the European stockmarkets.

This unusually long experience brings the benefit of an unusually wide spread. Henderson European Smaller Companies Trust's portfolio is currently spread between 12 European countries—a wider spread than other European smaller companies trusts.

ALREADY UP 109% SINCE LAUNCH

Since its launch on 28th January 1985, the Henderson European Smaller Companies Trust has shown an increase of 109% on an offer to bid basis including net-re-invested income. (17.11.86).

For Henderson Unit Trust Management Ltd., Dealing Department, 5 Rayleigh Road, Hutton, Brentwood, Essex CM15 1AA.

If we wish to invest £2,000 (minimum £500) in the Henderson European Smaller Companies Trust at the fixed price of 111.5p per unit and enclose a cheque payable to Henderson Unit Trust Management Limited, if you wish to have net income reinvested please tick

If we wish to invest £2,000 per month (minimum £250) in the Henderson European Smaller Companies Trust, and enclose a cheque for the first month's investment payable to Henderson Unit Trust Management Limited, Details on how to make subsequent payments will be sent to you on receipt of this coupon.

This offer will close at 5.30pm on Friday November 28 1986. After the close of this offer units will be available at the daily quoted price. Joint applications come first and reach full names and addresses separately.

Mr/Mrs/Miss/Ms _____ Forename(s) (in full) _____
 Surname _____
 Address _____
 Postcode _____ Date _____
 Signature _____

My Professional Adviser is _____
 This offer is not available to residents of the Republic of Ireland.

HENDERSON EUROPEAN SMALLER COMPANIES TRUST
HENDERSON UNIT TRUST MANAGEMENT LTD.

Handwritten signature and date: J.P. 21/11/86

CP 1/10/50

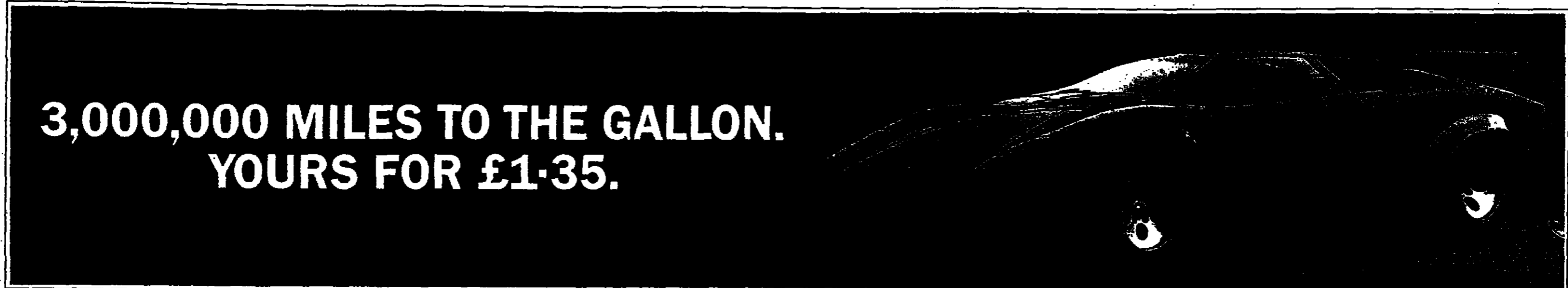
When computers were born 30 years ago, they weighed close on 30 tons and occupied a complete room. Today, a machine of similar capacity would hardly fill a briefcase.

If equally dramatic changes had taken place in the car industry our headline would be unremarkable.

A Lamborghini really would be that easy on petrol and your purse-strings.

When integrated circuits first arrived, they cost £40 apiece. Now they are ten-a-penny. Literally.

As computer production costs have gone down, their use has gone up.



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Children today are as at home with software as they are with soft toys.

Immunity from the rampaging microchip has been granted to no one.

Banking. Insurance. Retail. Wholesale. All have bowed before it.

But it is the manufacturing sector which has the most to gain, as well as the most to lose, from its advance.

We are on the verge of a second industrial revolution.

Before the advent of steam, 80% of the population spent their days, and much of their nights, working to feed the nation.

After it, they were free to put their talents to other tasks.

Now the computer is coming to the aid of today's workforce. Already, repetitive and unpleasant jobs are being carried out by robots.

At the same time, our traditional dependence on established raw materials and forms of energy is being lessened.

Evaluation and development programmes that took years, can now be completed in days. New products, new services and new markets are easier to develop. Complex problems are easier to solve.

Such changes are taking place on a scale unthinkable 20 years ago. Clearly, the backbone of commerce is no longer iron and steel, but expertise and judgement. Today, ideas are the crucial currency.

Of course, radical, far-reaching changes require solutions to match.

We certainly would not suggest finding the right answers is easy. But at Ernst & Whinney we believe we are better equipped to begin the search than most.

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Even London commuters prefer York

"A LOT of people who sell a house in the south think that they can come up and buy a cheap period property as easily as falling off a log. They are in for a rude shock." Christopher Orme of Strutt & Parker's Harrogate office looks after town and country houses, cottages, and at most types of homes—other than modern "executive boxes"—in a broad central strip of Yorkshire. He confirms that pressure to live in and around the cathedral city of York has helped to keep it aloof from the deepest troughs of the north-south price divide.

British Rail can claim some credit for that. Apart from the rail museum which draws in its share of York's tourist trade, BR's high speed services through this traditional northern hub of the rail network make it a popular dormitory town for some surprising distant workplaces.

Twenty regular commuters hold weekly season tickets from York to London. A similar number pay the £3,000 for an annual second class season ticket, or £4,464 for the first class equivalent. While the train shuttles to and from Leeds are the busiest of a number of local commuter runs, there are plenty of three and four day a week travellers who join these long distance regulars taking one of 26

InterCity services a day on the 127-minute trip to London's King's Cross. Once the northern capital of England, until the 18th century, York's appeal stretches from the living museum within the line of its old walls, to the brash 1960s buildings of its university campus. Leeds takes precedence as the office centre of the region, but as market town for a traditionally rich farming area, with a thriving tourist trade, Rowntree's great cocoa works and a range of other light industries, York has been insulated from the coldest winds of recession.

Local buyers and commuters, drawn by the reputation of York's schools and by the appeal of living in and around the city, keep prices rising, not spectacularly, but steadily.

It is rare to find a "For Sale" board on a house in the city itself. Edward Waterman of York agents Byron & Grainger reports: "There is a premium of about 20 per cent on a terraced house within the city walls. Small terraced houses just outside go for £20,000 to £25,000 now, depending on their condition. Two or three years ago they would have sold for £16,000. Larger terraced houses with four to five bedrooms go for up to

£80,000 and a lot of houses are used as guest houses." Although he says that "York has never boomed more," Waterman sees it becoming an increasingly popular "suburb of Leeds," since good roads and the rail links put the commercial centre of Leeds within 30 to 40 minutes travelling time from

John Brennan reports on a cathedral city where demand for housing has kept it aloof from the north-south price divide.

most residential areas around York. Completion of the northern section of the York ring road should make that journey even easier for people living above and to the north east of York where prices are already beginning to reflect buying competition from another set of commuters, those who have been drawn to the area from Hull and other areas of Humberside.

Local and near local buyers have some particularly exotic competition for flats in the very heart of York, where there is even the makings of a tiny investment market. Wareson says that "A number of flats in York have been bought by expatriates, particularly people working in the European Parlia-

ment. We have just sold a two bedroom flat for £48,000 to a buyer working abroad who wanted a Yorkshire property." There is a limited market for second homes, but the ideal of a cheap cottage on the Dales or Moors is no more than a dream. The queue for outlying village properties formed too long ago with established homes in the area whose jobs involved a move to London. Rather than pack up and head south, they have kept the family home and headed instead for those InterCity services. Local agents agree that the toughest properties to sell are the pricier modern executive homes. As Waterman says: "There are any number of those on the market around £50,000, and they are difficult to shift." Even so, values for well designed modern family homes north or west of York with a generous garden can easily top six figures. Prices overall form a distinctive east-west pattern, sliding as you move east towards Hull, and rising west as you come within the buying range of Harrogate and Leeds. There is also a local reversal of the north-south price gap as, "It is still unfashionable to live south of York," Lawson says. "The countryside is less picturesque on that side and as a result, prices can be 20 per cent to 25 per cent lower than up towards the Dales." One stretch of popular countryside has suffered prospective noise blight with the planned arrival in 1988 of an operational Tornado squadron to the RAF station near Northallerton. Concern about their reputed 50 working four days a week in London. Most of those are people

£10bn homes bill

UPDATING THE last official figures (£8.1bn in 1981) the Building Societies Association makes the reasonable guess that we now spend over £10bn a year on home improvements in Britain.

Roughly the equivalent of the City's net invisible earnings, and that excludes the value of unpaid do-it-yourself work. Only 34 per cent of households need to raise extra loans to carry out improvements, a proportion that rises to over 60 per cent for those planning a full scale conversion job. Installing new windows tops the list of improvement jobs, with over a third of households having either put in double glazing or refitted their windows in the past five years.

A quarter of households in the BSA's survey had refitted their kitchens, one in five had tackled the bathroom and nearly as many had completed rewiring their homes.

"AS A generalisation, I would say that the market in houses is

extremely strong—as long as they are not stupidly overpriced—while the market in flats is substantially weaker due to a massive influx to the market of new developments." That's the view of Stephen Copeman of the Maskells estate agency on the London residential market. Most agents would go along with him in private, but those with a stack of instructions on newly refurbished or soon to be completed flat developments tend to talk around the fact that an upward drift in interest rates increases flat buyers' bargaining power.

Developers relying on floating rate finance need to sell their flats fast to contain their costs, and while there are no cut-rate bargains among really well located, prime quality flats, buyers in hyper-active development areas like South Kensington now have considerable choice of properties and a chance to drive a tough bargain on the asking prices in return for a speedy deal.

J.B.

John Brennan relates the vigorous rituals of a Japanese acquisition

When facts are not enough . . .

embarrassing scenes when it came to having furniture delivered to the fifth floor. Having completed these most exhaustive searches—and in the process provided as sharp a contrast as you could find to most buyers' almost casual attitude to the details of a property beyond its position, price, and size—Nippon Life's team was satisfied. Completion followed exchange in a matter of days earlier this month.

Actually, "satisfied" is rather too final a word in this case, because the Japanese had one question that totally stumped the agents. Having explained that a freehold on a fifth floor flat would be the best arrangement under English property law, and that the title to a 999 year lease amounted to much the same thing, Nippon Life's careful buyers raised the one point that should convince City institutions that the Japanese are taking a long view on London.

Although accepting that 999 years is a reasonable enough term for a London flat what, they asked, happens to their property at the end of the lease . . . ?

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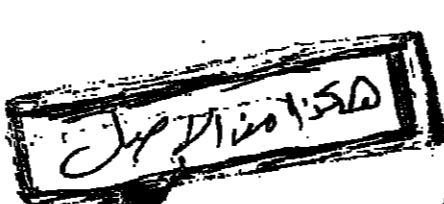
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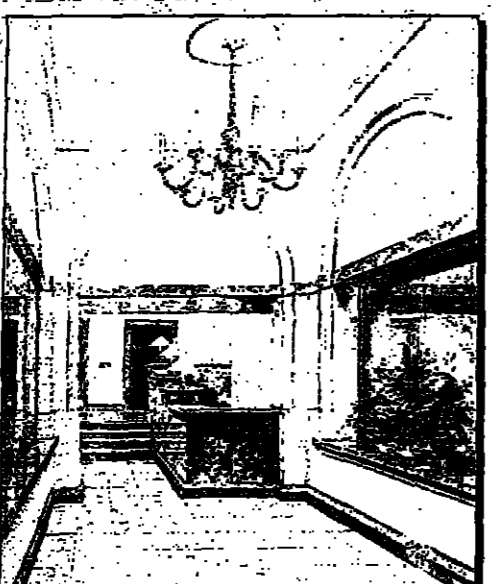


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Out and about with Britain's big cheeses

British cheeses have been enjoying a renaissance. Small producers are springing up all over the country, making individual cheeses with life and character of their own. How much better are they compared with the plastic-wrapped pieces sold in supermarkets? Are they worth the time and trouble it takes to track them down? We asked a distinguished panel to taste, ponder and reveal their knowledge.



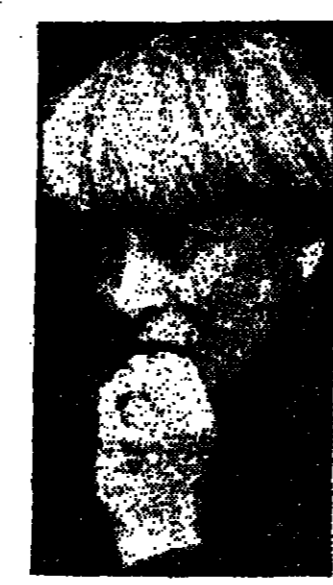
Hugh Rance



Romilly Hobbs



Patrick Aréna



Lucia van der Post



Peter Fort



Eurwin Richards

Usage and abuse

Blueing: natural mould caused by penicillium roqueforti spores; not always desired by cheesemakers, but quite harmless; can turn basic cheese (Cheshire) into up market variation (Blue Cheshire).

Clothbound: traditional method of protecting cheese to protect it while ripening.

Cryovac: plastic film used to prolong active shelf life of cheeses; makes it impossible to judge quality of cheese; has some effect on cheese as it would do if you wrapped a human being in it.

Card: coagulated substance formed by action of acids on milk; basic substance from which cheese is made.

Pasteurised: milk is heated to destroy potentially harmful micro-organisms; inhibits natural development of flavours in cheese; unnecessary in modern cheesemaking.

Crust: cheese-addict's word for rind.

Processed: cheese that has been melted down and repackaged while hot.

Rance: first family of British cheese world; proprietors of Wells Stores in Stratford and Henley-on-Thames; Patrick Rance wrote the classic *The Great British Cheese Book* (Papermac £3.95).

Trunkie: traditional cylindrical mould for Cheddar.

Traditional Farmhouse: a subject of some dispute; as terms they have no legal definition; Milk Marketing Board Code of Practice for Farmhouse Cheesemakers state that at least 50 per cent of milk used to make cheese must come from other farms approved by the board within a 25-mile radius and use non-industrial methods to qualify.

Unpasteurised: milk that has not been heated to destroy micro-organisms; better suited to most forms of cheesemaking.

Waxed: paraffin wax applied to outside of cloth directly onto cheese to protect it while ripening; also butter or lard can be used.

Why: what is left over from milk when most solids have been turned into curd; can be used for cheesemaking. Italians around Parma feed it to pigs.

Where to buy them

The following represents a small selection of shops that offer cheeses from England, Scotland, Wales, Northern Ireland and Eire in prime condition.

Cardiff
Huxley's Cheese Company, Victoria Court, Wellfield Road.

Chichester
Say Cheese, 1 Saddlers Walk, PO19 1EQ.

Cirencester
Langham's cheese wholesalers, 5 Perrots Brook Farm, Perrots Brook, Cirencester GL7 7BS.

Edinburgh
Gourmets Delicatessen, 308 Morningside Road EH10 4QH.

Henley-on-Thames
Wells Stores, Reading Road, Henley-on-Thames, Oxon.

Leominster
The Mousetrapp, 3 School Lane, HR6 8AA.

London
Duff and Trotter, 47 Bow Lane, London EC4.
13-15 Leadenhall Market, London EC3.
Neals Yard Dairy, Neals Yard, London WC2.
Paxton and Whitfield, 93 Jermy Street, London SW1.

Norwich
The Mousetrapp, 2 St Gregories Alley NR2 1ER.

Oxford
Oxford Cheese Shop, Unit 7, Covered Market OX1 3DU.

Oxford
The Good Food Shop, 20 Station Road, Oxford OX3 9EU.

Stratford-on-Thames
Wells Stores, Reading Road, RG 9HY.

Worcester
The Cheese Hamlet, 706 Wilmslow Road, Didsbury.

A table full of good taste

THERE is something rather daunting about the prospect of a cheese tasting. All those calories, those life-threatening globules of dairy fat, for not enough fun. I could feel the arteries beginning to harden up and had had a mind to ask for danger money.

The spirits started to lift at the first sight of the table laden with British cheeses. Round cheeses, square ones, cheeses pale as milk, others dark as butterscots. Soft cheeses, hard cheeses, crumbly cheeses, creamy ones, plain ones; cheeses scarred with fine veins like a dowager's legs; mild ones and smelly ones.

Cheeses from the dark green hills of Wales; cheeses

from the great factories of the dairy boards; cheeses from the little farms in the gentle hills of Somerset. There they all were—more various, more enticing than I had ever dreamed.

As the panel gathered round to do the tasting, curiosity began to mount. Patrick Aréna, maître fromagerie of one of the most distinguished cheese shops in the whole of Paris (Androuet, 41 rue Amsterdam, St) flew in for the day. It wasn't long before he began to slice and prod, taste and ponder.

Romilly Hobbs, owner of one of London's best provision shops (Hobbs of 29 South Audley Street, London W1) could hardly wait to try them all. Hugh Rance, son of Major Rance

who runs one of Britain's best-known cheese shops, Wells Stores in Berkshire's Stratford, has seen and tasted many a cheese in his time, yet he too, seemed impressed with and interested in what lay before him. Eurwin Richards, Retail Quality Assurance manager for Dairy Crest, agreed to join the panel. She came with special qualifications: not just an eater of cheese but also, in her time, a maker. Give her some surplus milk and she'll churn you out a Cheddar, a Caerphilly, a Double Gloucester or a Leicester—all down in Thames Ditton.

Finally came the home team: Peter Fort, the Weekend FT's food writer and myself.

The stars of the show, the cheeses, were mainly provided by Neals Yard Dairy (some came from Dairy Crest) whose owner, Randolph Hodgson, was so enthusiastic, so knowledgeable about every aspect of cheese-making that even I, a reluctant conscript rather than a volunteer, was won over.

De Gaulle may have had his 233 cheeses but he didn't have a Cheddar, a Double Gloucester, a Leicester or a Stilton. Above all, he didn't have a Beenzleigh, a Pantyllyn or a Milleens. Would that he were living in this hour—even he might have been impressed.

Caerphilly: From £1.90 per lb. Two Caerphillys were the first to be tasted. It came as a huge and delightful surprise to almost everybody (though not to those learned in the ways of cheese, like Hugh Rance and Eurwin Richards) that a "maturer" Caerphilly could taste so very unlike a "younger" one.

They were completely different in both colour and texture, the young version tasting exactly like a very good version of the Caerphilly we are all familiar with, dry, rather crumbly, very mild. Most of the tasters found it a little bland. Peter, in particular, disliked it intensely, finding it tasteless. Romilly, on the other hand, liked it enormously. "The more involved with food I become, the more I find I like gentle delicate foods, rather than strong or mixed flavours."

The elderly version of the Caerphilly was quite extraordinary—it was unanimously liked, and to those of us in-expert on cheese, it was a complete revelation. Soft, creamy, with a crusty top and a marvellous flavour, it is a cheese I would cross town to buy. Patrick Aréna thought that with even more time to mature it would become a truly beautiful cheese.

Beenzleigh: £3.00 per lb. Another treat. Rather strong-tasting, Patrick thought it a little bitter, but Peter found it "beautiful, exciting and the most wonderful cheese around," though he did admit that it handled like soap in the bath. In fact, a winner all round—only Patrick showing a rather cool appreciation.

Stilton: £3.20 per lb. We were presented with three Stiltons—two made from pasteurised cheese; the other the only unpasteurised Stilton in the country.

First came a Stilton from Tuxford and Tebbutt—this aroused some strong feelings. Hugh Rance found it "sour, not rounded, dry." He was particularly disappointed because it had looked good. Eurwin Richards found it "very sharp and bitter." I disliked it intensely, finding it very bitter; it left me feeling in dire need of a mouthwash. Peter Fort gave it only nine out of 20. Romilly found it "far too strong," and Patrick Aréna found it "acid, very sharp tasting."

The next Stilton, by Nuttall, found little more approval. Eurwin Richards liked it but Patrick Aréna found it "too acid, sharp and bitter." Hugh Rance said: "Not a pleasant after-taste, ripe but not full-flavoured," while Romilly and I both found it "much too strong."

It was with some excitement that we broached that endangered species—two unpasteurised Stiltons from Colston Bassett, the only farm in the country producing them. Hugh Rance liked both the young and the mature versions, describing the latter as "excellent examples of true Stiltons." Patrick Aréna liked them too, saying they had a "nice mild flavour." Romilly and I still couldn't be persuaded to approve.

Labours of love and plastic

WHAT happened to British cheese? Where did it go? Has it come back? Will I recognise it if it has, and where can I get it?

British hard cheeses have always set the standards by which those of the rest of the world have to be judged. There are certain large numbers of people (small dairy farmers in the main) who are anxious to get into cheese-making for "straightforward" economic reasons. At the same time, retailers are aware that the demand for "real" cheese is growing.

Meanwhile, over in your local supermarket, there is a young man working behind the plastic greenery of the delicatessen counter and he isn't quite sure whether Cheshire is a different colour from Cheddar, let alone why. And so we fall on, furnishing our festive cheeseboard with Brie and Roquefort. It's not that we don't want British cheese—but we find it difficult to know where to start.

My enquiries began at the remarkable festival of cheese, the Nantwich Show. It began life as the showcase for Cheshire cheese, which has been made in the area by families like the Applebys for centuries. The show has now grown in size and international renown and there, in a gigantic marquee, you can see more cheese than you could eat in a lifetime. There are cheeses from all over the world, but dominated now by the rows of huge suitcase-sized slabs of Cheddar, gleaming fatty in their plastic skins. These are, of course, destined for the supermarket trade.

Man invented cheese as a long-life product, a way of getting milk nourishment through the winter. But the problems of keeping it looking wholesome in small pieces has

come to dominate the way it is produced, packaged and distributed. Supermarkets know, for instance, that while mould may be a fine thing in Stilton, it is death to the sales appeal of a piece of ordinary mousetrap. So, the whole industry is seared to eliminating any trace of life or individuality from our cheese.

I do not want to deny the immense amount of good that the Milk Marketing Board and its various arms, such as the Dairy Council, have done. Thanks to them, it is as rare to get a rotten piece of cheese or

but, day after day, is a form of economic suicide for a restaurant.

Some cope by having a cheese à la carte—you pay for what you choose. But that again places the onus on the customer to know what he wants. Restaurants in Ireland, which very happily promote their splendid local cheese, often offer only one or two, which is not a bad idea.

It would all go much better, of course, if we consumers could be persuaded to step forward boldly and make our requirements known. But aren't we all too embarrassed to do that?

Not all the little yellow Lego blocks in Cryovac are inedible. Not everything bought directly from the horny hands of the farmer is wonderful. Many of the cheeses produced and sold under the Dairy Crest, St Ivel and Dairy Express labels are, or can be, excellent. Some of the cheeses that find their way into specialist shops are disappointing. Such variations are inevitable when you have a living substance.

The best thing you can do to take your courage in both hands. Ask questions. Try varieties. Look out for a shop that looks as if it cares for the cheeses it sells and is staffed by people who know something of the provenance of the items that they sell.

If you cannot find such a shop or do not have the time to cruise around looking for it, remember that there is a middle ground. Your supermarket probably has a delirious counter where assistants will cut cheese from the larger piece. Sometimes they are trained to know what they are talking about. They need encouragement. Give it to them.

Peter Fort

Look out for a shop that looks as if it cares for the cheeses it sells and has staff who know about their provenance.

An "off" pint of milk as it is to get a rotten egg. These things just don't happen any more.

They also work very hard at promoting the cheese industry and at getting us to eat more cheese. They research and analyse and advise, and somewhere the game changes. Somewhere, and you can't quite put your finger on it, the Lymeswold factor creeps in.

As one retailer who knows his cheese said to me: "That was a classic bit of marketing. They researched the public tastes. They analysed the market. They got their positioning right. They launched it well. Pity about the product."

That is a cheese huff's point of view. But Lymeswold has sold well and Dairy Crest can on simple commercial criteria, he very pleased with themselves.

In another part of the forest it is here that I offer free advice to anyone looking to invest in the cheese renaissance. Don't get into cheesemaking. Don't get into cheese retailing. Don't get into wholesaling and distrib-

ution. It is there that a properly capitalised and managed large-scale operation could benefit the English cheese business and profit from its growth.

However, even this needs to be done with love. If you find the ideas of love and wholesaling hard to reconcile, you should go to Langman's of Cirencester, Gloucestershire. No massive concrete loading bays here; you drive up a long, muddy lane to a clump of Cotswold farm buildings and it all looks quite homespun—but the firm buys and ships fine farm-made

cheeses all over southern England, and always in beautiful condition. It is a labour of love.

We can see that the farmers are there, keen to make it, and at the other end, stand the customers, ranging from the tire-somely knowledgeable to the tremblingly ignorant. They are tentatively entering the specialist cheese shop or they are hovering at the deli counter in the supermarket. They may want a bit of advice, yes, but they want a bit of cheese that still has some life in it.

The good old cheeses are here again, and new cheeses are tipping into the market. We tasted some of them and found them good. But, at present, a lot of us feel too timid—too ill-informed as well—to plunge in and reap the benefit.

Pednaps we could expect restaurants to set us an example and give us the taste. Unfortunately, that would be asking rather a lot because to keep a lavish board of cheeses, some much more expensive than others, all of them in peak con-

dition, day after day, is a form of economic suicide for a restaurant.

Some cope by having a cheese à la carte—you pay for what you choose. But that again places the onus on the customer to know what he wants. Restaurants in Ireland, which very happily promote their splendid local cheese, often offer only one or two, which is not a bad idea.

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If you cannot find such a shop or do not have the time to cruise around looking for it, remember that there is a middle ground. Your supermarket probably has a delirious counter where assistants will cut cheese from the larger piece. Sometimes they are trained to know what they are talking about. They need encouragement. Give it to them.

Cheshire: From 99p per lb. We were presented with two different factory-made Cheshires—one round (all "traditional" really means, in Milk Marketing Board lingo, is that it is "round"), the other in a block (the same mixture as before but pressed into a "block" shape which usually means it is rather harder pressed, so it is a denser cheese).

The block Cheshire is, you will be amazed to hear, made in Cheshire—in a factory; they're covered with cheese-cloth and wax to stop any weight loss. Cheshires all vary in colour because a natural colouring from a South American plant called Annatto (E160) is traditionally added to it.

Nobody became very excited by the Cheshires—they inspired neither great approval nor much opprobrium. Hugh Patrick Aréna pointed out that the appearance of the block Cheshire really didn't generate much enthusiasm and that it seemed to him much too young. The tasters perked up visibly when a Cheshire from a family farm, the Appleby's, appeared. Here at last, they said, was a Cheshire with character, though almost all agreed it was still a little too young.

Here was a perfect example of how much of the appeal of cheese is visual. No matter how excellent-tasting a block cheese, it will never be able to compete with more authentic-looking versions.

Both were exceedingly delicious, though the general verdict was that the higher storage temperature, 60 degrees, had produced the more flavoursome cheese. Even Patrick Aréna was moved to describe it as having "lovely flavour, strong, nutty," while Romilly said it "can't be faulted." I, in my notes, found it "wonderful, a real Cheddar taste."

The third Cheddar—a white blocked mature Cheddar from Dairy Crest, looked extremely uninspiring. It had that soapy, rindless look one has come to expect from factory-produced cheese. However, everybody found it surprisingly good to taste. A few of the tasters found its texture a little soapy, and Patrick Aréna could only find the words "quite mild" when asked to describe its flavour—everybody else was impressed.

Langloftan: £3.50 per lb. A cheese made from unpasteurised Jersey milk with a rather dry texture. Eurwin and I (who seemed to be the only two judges still doing their duty by this stage) liked it enormously.

Blue Cheshire: £3.60 per lb. For those who like blue cheese this is an interesting one to try. I found it too strong and didn't care for its yellow/green appearance. Eurwin Richards disliked it intensely, but Romilly found it "interesting" and Patrick Aréna described it as "not too bad."

Heritage

Records, ancient and modern

THIS HAS been a tumultuous week for the international art market. In New York, where Wall Street was giving a good indication of a crash, the sales at Sotheby's seemed to be establishing the paintings as the new currency. Record followed record—£2.4m paid for a Renoir, and, confirming that 20th century art has overtaken 19th century Impressionism in public favour, \$3.5m for a Mondrian diamond-shaped composition of 1938. There was a record for a Henry Moore, £1.5m, and for a Joan Miro, £1.75m.

It was not just the moderns that were fought over. The John Gains collection of Old Master and modern prints, formed with money made from the food, brought in £14.7m, with auction records for drawings by Leonardo, Rembrandt and Turner, along with 23 other major names.

But while New York seems to be asserting itself as the pivot for art sales, its old competitor, London, has been digesting a buffet of bad news. In announcing his arts expenditure for 1987-88, the Minister, Richard Luce, reported an increase for museums and galleries of 3.75 per cent, below most people's forecast of inflation, while, more worryingly, he has frozen the annual grants to the National Heritage Memorial Fund to just £3m, a quite

inadequate sum.

In past years Lord Charteris, chairman of the National Heritage Fund, has been able to twist more money out of the Government near the end of the financial year. This time round he is being rebuffed. If there is to be no more money the Fund does not see how it can cope with the pressures on its resources. This year it will pay £200m, mainly because some long running crises over important houses—the future of Kedleston and Nostell Priory, with a solution to Weston Park close—have been resolved. But at the moment its total resources for next year will be just £7m.

Demands on this paltry sum are already considerable. There is the new batch of Old Master drawings that the Duke of Devonshire wants to sell from Chatsworth. They have been offered to the British Museum for £2.5m, but the Museum can only afford them with a sub from the Fund. There are three Constables seeking new homes, including one very important painting, "The opening of Waterloo Bridge," which the Tate is anxious to acquire; but the price tag is £3m. There are the Renoirs owned by Lord Clark's heirs that it would be nice to keep here.

These paintings and drawings

would send works to London for sale. The VAT would be reclaimable later but the very idea of lending the British Government 15 per cent of the value of the Rembrandt and the two Hals, which Sotheby's is selling for American owners next month, would be anything but beggars of the Government. If it cannot safeguard our arts treasures they could quickly flow overseas, via the auction houses.

But an even bigger threat to the art world, and to those self-same auction houses, as well as the West End dealers, is the plan, now well afoot, to equalise VAT on works of art throughout the EEC, which would mean a 15 per cent tax on antiques entering the UK. This would be the most devastating blow that the trade has ever been forced to meet.

Prices here would spiral, not least at auction, where the 15 per cent would have to be paid on the hammer price, and few big foreign collectors

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Goat Cheese: £2.00 per lb. Small, round, creamy; these are a delight to look at. For those, like me, who like a hint of goat but don't like to be overwhelmed, they are beautiful. However, aficionados of a good strong "chevre" would probably find them too mild. Peter Fort, for instance, found it "characterless, tasting rather like curd cheese." Patrick Aréna liked it but found it a little too young. Eurwin Richards liked its "very mild, very fresh" taste.

Pantyllyn: £3.40 per lb. A Welsh cheese, previously unknown to several of us, developed on a small farm by a man who made first Cheddar, then Caerphilly, and then went on to develop a cheese all his own—though it is based on a Caerphilly recipe. He uses milk from Jersey and Ayrshire cows, which makes it rich and full-tasting.

Hugh Rance and Patrick Aréna, the great experts, were both very impressed by it—Hugh called it "unique, gentle, interesting," and Patrick said simply: "Lovely." As for Romilly and myself—we both loved it, too, and would certainly buy it ourselves.

Devon Gariand: £3.50 per lb. Made from Jersey milk and delicately flavoured with aged herbs, in this case, sage. Most of us preferred our cheeses plain, but if herbs were to be added we thought this one very good of its kind. It had a good, creamy texture and made an interesting contrast to the other plain cheeses. Romilly liked it very much, and so did I. For the rest of the judges—by now their palates were turning to thoughts of a little wine tasting. We shall never know...

L. v. d. P.

Gardening

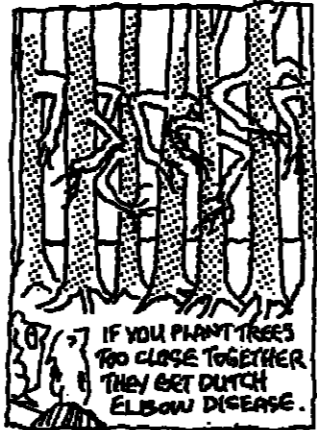
Robin Lane Fox deplores overplanting

Trees that crowd

MUCH IS WRITTEN about good gardening; some people even write about better gardening. What, though, about bad gardening...

These little crimes are committed by us all, but they are not the besetting sin of British gardeners. Our main vice is over-planting.

vandals, but it is not credible that vandals need such a wild over-planting to deter them. Personally I blame the consequences of poor maintenance.



IF YOU PLANT TREES TOO CLOSE TOGETHER THEY GET DUTCH ELBOW DISEASE.

metre and filling in the gap with hebes? Nobody has a good word nowadays for bare earth in a garden, so a new shrub border must be packed tightly.

you that even a pyracantha can eventually spread to a width of ten feet. Of course I too am over-shrubbed at times, but may I suggest a working distinction.

Goethe's odyssey

IN THE autumn of 1786, 200 years ago, Goethe, in the thick of night, abandoned the court of Weimar, his friends and his fame and set off for Italy.



because of the age old lure of that country and he is conscious of his innumerable predecessors, including his own father who had spent the best part of his life labouring to write an Italian Journey in Italian.

Goethe looking out over Rome by Tischbein

This lack of enthusiasm is astonishing in view of England's own passionate interest in Italian travels, of its peculiar invention of the Grand Tour, its wholesale importation of the architecture of Palladio, Roman marble and scores of old master paintings.

Goethe and his host in Rome, the painter Tischbein, now chiefly remembered for his portrait of Goethe in the Roman Campagna.

Or to stand in the glass house of Padua's ancient botanical garden, where the "Goethe palm" still grows that prompted his search for the *Urtica*, the his search for the *Urtica*.

Unfamiliar ground

THE LITTLE row of small trees near the head of the herbaceous borders in the Savill Garden, Windsor Great Park caught my eye from a distance.

right up into Canada, so though it has a reputation for being a little tender when young it must have some hardy forms.



are common in America can be brought here.

small to medium-size tree, but both have a very regular horizontal branch pattern and excellent white variegated varieties.

surgery will leave the tree looking as good as ever. The tulip tree flowers are interesting rather than beautiful, except in close-up, and for that you need a ladder or binoculars.

Mr Clarke. Our clarets on tasting must be the pick of the commune. Couldn't we keep these reeds under the bed, Mr Johnstone? Includes an illustration of two men talking and a bottle of wine.

JANCIS Robinson's Vines, Grapes and Wines (280pp). Mitchell, Beazley, £16.95 is a novel, highly useful work of reference both for professionals and inquiring amateurs.

twisted, as generally recommended. Less detailed on champagne, but extraordinarily comprehensive on sparkling wines throughout the world.

Richard Olney's Yquem (167 pp, Doring, Kindersley, £25) is a lush book about a very luscious wine. The pictures, nearly all in colour in a large-format, capture the special magic of Sauternes in general and Yquem in particular.

Hospices de Beaune. The estates include Chx Palmer and Laite in Bordeaux, Schumberger in Alsace, Fousat in Vouvray, and Muscadet. Each chapter contains a good deal of history and much accurate information.

pass over wines they find poor. But not Auberon Wain, as his collected articles in Wagon on Wine (175pp, Fourth Estate, £9.95) clearly show.

Oliver Mayo's The Wines of Australia, 246 pp. Faber (£12.95) combines a scholarly history of the industry, a technical chapter, and then an objective state-by-state account of the main area.

Ferreira: (n) A sacred ceremony which transforms ripe grapes into ruby red nectar. Ferreira: (n) A rich red liquid sought after for its therapeutic qualities. Includes an illustration of a bottle of Ferreira wine.

A good, up-to-date book on champagne has long been needed: not an easy task, owing to the complicated divisions of the region, the special way the wine is made, and the large number of producers and merchants.

Via his bi-monthly newsletter, Robert Parker has acquired in the US an influence on private wine-buying that is both remarkable and frighteningly dominant for this individual wine writer.

Stephen Spurrier, known for his nerve in opening first a shop and then a wine school in Paris to teach the French about their wines, has now issued The Academie du Vin Guide to French Wines (256pp, Willow Books, Collins, £12.95).

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Lucia van der Post
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appears in almost all of them. Choose one or two charities you would most like to support and do your ordering from them

THE BRITISH DIABETIC ASSOCIATION, 10 Queen Anne Street, London, W1M 0BD (Tel: 0283-68811). Not a totally scintillating catalogue but if this is the charity you'd like to support it won't be too painful. You could order Christmas cards and have them overprinted with your name and address or buy a small selection of presents under the Liberty imprint (spage bags, photograph frames, address books); you could, if you searched, find something to please almost everybody. A knife with all manner of hidden blades and tools for just £2.99; a set of coloured pencils with the owner's name on them make a splendid stocking filler at just £3.99, and for the frequent traveller what about a set of personalised luggage tags at £3.99? Small but charming is a little beehive candle. Light it and it keeps the gnats, midges and mosquitoes away; £2.99.

THE NATIONAL TRUST Christmas Catalogue, National Trust (Enterprises) Ltd, PO Box 101, Melksham, Wiltshire SN12 8EA (tel: 0225-705979). 28 pages of the sort of presents National Trust addicts would expect pretty soaps and sachets, trays and cushions, photograph frames and coat-hangers bedecked with roses. Look for some fine books on subjects dear to National Trust members: dried flowers, gardening, angling, English country houses. Some new china, bowls and planters, jugs and jars, designed by Julie Depledge, all splashed with flowers. Still the only people I know of to sell the traditional perfectly round Christmas pudding—at £4.75 for 1 kg size, it gives an authentic Dickensian air to the Christmas table.

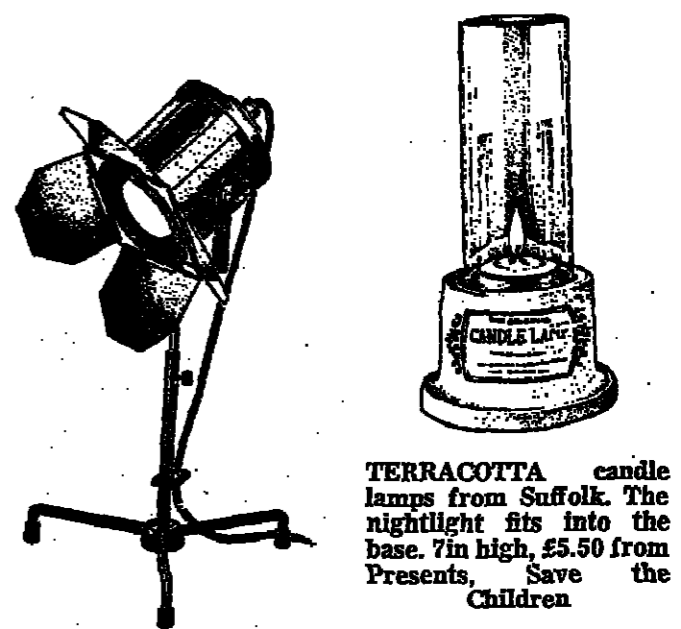


Above, doll pyjama case, National Trust £10.50
Below, hill tribe dolls, £6.95 each from Oxfam



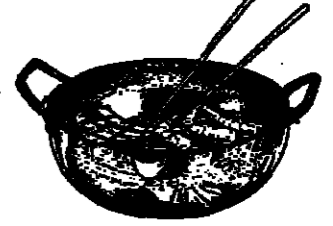
IMPERIAL CANCER RESEARCH FUND, ICRF (Cards) Ltd, PO Box 48, Burton-on-Trent, DE14 3LQ (Tel: 0283 30639). A very mixed bag indeed—presents a range from the wildly kitsch mushroom chopping board to some charming scented drawer liners. A good catalogue to browse through for those who don't have much to spend. The drawer liners are just £3.99 for six, there's a shoe-shine kit at £3.99, a sweet little quilted cotton pot holder, featuring a cat, for just £2.75, and a bright waterproof torch at just £2.99 for those who might need torches underwater. Not the catalogue for the grand gesture but just the place for small stocking fillers. Children would probably love the sheets of coloured paper for drawing and painting on—100 large sheets in 10 bright colours for just 2.99. Add to it some powder paints—five colours for £4.99—and there's hours of entertainment.

SAVE THE CHILDREN, 17 Grove Lane, London SE5 8RD (Tel: 01-703 5400). As always Save the Children offers two catalogues—one aimed at the home shopper and the other called "Presents"; between them they offer much the best selection of any of the brochures I've seen this year. From a hand-operated ice-cream maker (£29.99) to a very kitsch banana-shaped phone (£39.95), from a terracotta candle lamp to a charmingly packaged bulb growing kit, you will be able to find something for everybody. There are baskets with arrangements of dried flowers (£8.50), a mini-barometer for the wall (£9.50) and Tempura Cooking Set (£16.99) for those who believe in keeping up with the cooking trends. Both catalogues are available free and between the two you could order almost everything you need—cards, wrapping paper, Christmas decorations, as well as the presents themselves.

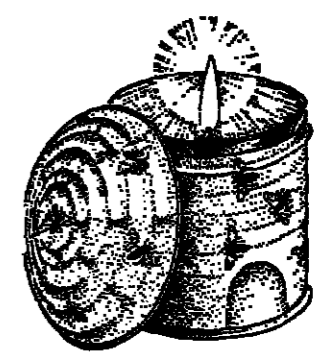


THE Hollywood lamp—11in high, £13.95 from the British Heart Foundation

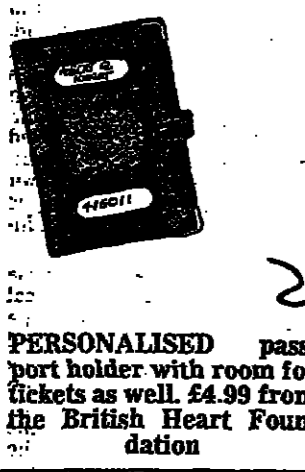
TERRACOTTA candle lamps from Suffolk. The nightlight fits into the base. 7in high, £5.50 from Presents. Save the Children



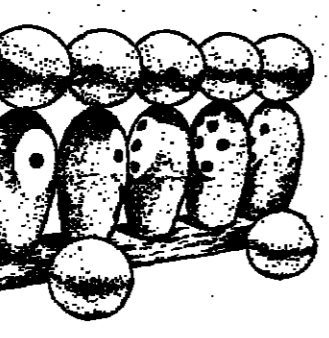
TEMPURA cooking set, with draining rack, chopsticks and recipe booklet. £16.99 from Presents. Save the Children



BEEHIVE candle, citronella-scented to keep the insects away. £2.90 from the British Diabetic Association



PERSONALISED passport holder with room for tickets as well. £4.99 from the British Heart Foundation



PULL-ALONG wooden skittle set. £9.50 from the World Wildlife Fund

...and a few more brochures,

PARROTS PRESENTS, Unit E, 32-34 Gordon House Road, London NW5 (Tel: 01-267 3380). £2.50 for the catalogue. One of the best and most useful of them all—full of ideas, some jokes, some tasteless, some terrible, but some useful and plain desirable. Big on personalised items for those who like such things—lots of luggage labels, initialed belts and cufflinks and monogrammed evening slippers. Famous, too, for its stocking filler ideas, most of them on the jokey, rather than the useful side, but if you're stuck for ideas this is the place to go. Nice ideas, too, for cooks and gardeners.

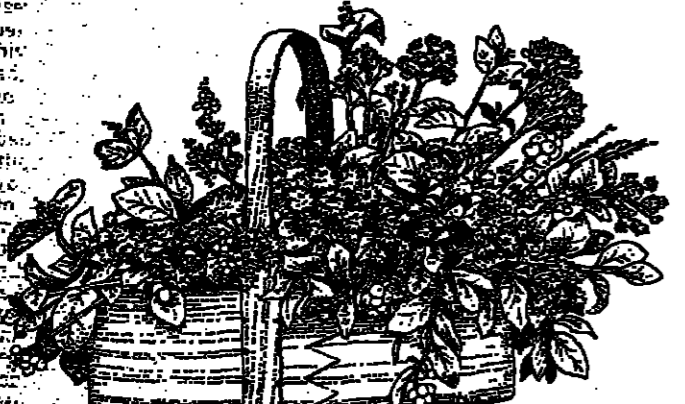
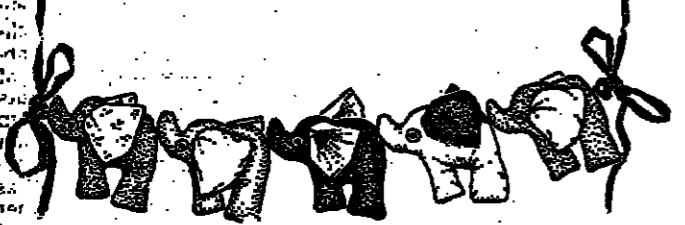
WORLD WILDLIFE FUND, PO Box 49, Burton-on-Trent, DE14 3LQ (Tel: 0283-66311). Small full-colour catalogue with, as you might expect, a heavy emphasis on embellished animal objects. Some are more successful than others but those who like animals and wish to preserve them without being confronted with an endangered species on every object will find lots to please them. Nice plain towelling robes (£24.95), comfortable looking tracksuits (£25.90), plenty of ideas for cooks and gardeners and gadgets for the gadget-lovers. In fact, you should be able to do almost all your Christmas shopping quite comfortably with this little catalogue to hand.

IRONBRIDGE GORGE MUSEUM Trading Company, Ironbridge, Telford, Shropshire.

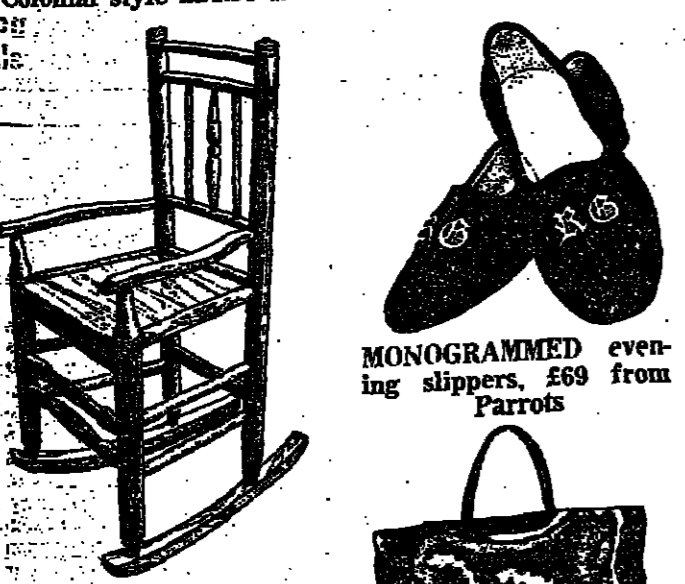
TPS 7AW (Tel: 095245-3523). A gem of a catalogue from the Ironbridge Gorge Museum—small but almost everything in it is beautiful in a rather nostalgic way. Most of the products are produced in Shropshire, many in the Museum's own ironfoundry and sawmill. Choose from a pure mohair fully-jointed, hand-made teddy bear, 16 in tall (£31.95), or an old-fashioned pomander (£3.25), or a rope of herbs and sweet-smelling sachets for the bathroom (£12.50). Or what about an Ironbridge Caughley Jug, all charming blue and white with a print of the Iron Bridge on the front for £24.95? I liked particularly the traditional Shropshire chairs with all the simplicity and rightness of a Shaker chair—£56.95 in stained and polished ash. I liked, too, the handmade oval ash basket for £24.95 and the traditional wooden toys.

ROYAL ACADEMY OF ARTS Gift Catalogue, PO Box 50, Hallsford, Cornwall TR 713 (Tel: 0326-561134). Strong on silk scarves (some of which are lovely and original, not an inevitable combination) and also, for my money, the most charming Christmas cards around. Otherwise there are some rather odd-looking ties, some very beautiful address books and diaries, some attractive Philip Sutton china and a small but, as you might expect, excellent selection of art materials.

CHARMING string of brightly-coloured cotton elephants to hang across a pram. £6.50 from Parrots



OVAL basket handmade from ash in an early Colonial style £24.95 from The Ironbridge Collection



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Drawings by James Ferguson

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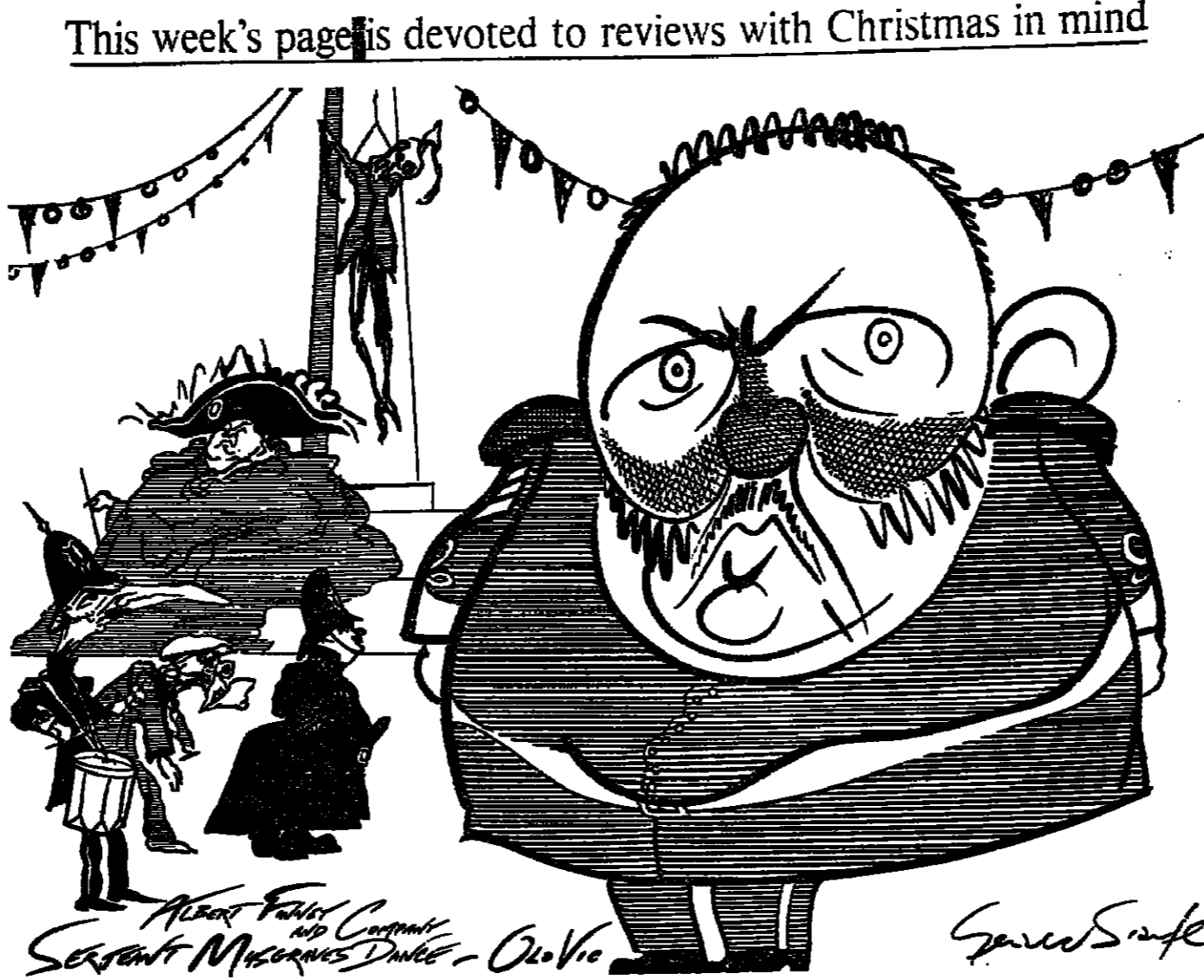
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Sam's Irish grass roots

ANYONE LOOKING for a painless route into the labyrinth of Beckett's prose could not do better than Eoin O'Brien's *The Beckett Country* (The Black Cat/Faber £40.00). This is a sumptuous album of pin-sharp, black-and-white photographs of the Ireland in which Beckett grew up and the Normandy in which he lived during World War Two. It begins in Foxrock the Dublin suburb where the family lived in a large house with bow-windows, gabled roof and a garden wide enough for an immaculate croquet lawn. From that primal scene it takes us to places like Leopardstown Racecourse, Pontora Royal School in Enniskillen, and Trinity College, Dublin. At each point the illustrations are linked to quotations from Beckett's fiction and to the chronology of his career. The total effect is to provide a de luxe, do-it-yourself biography-kit of the great man which I for one plan to keep for assembly every time I read or see one of his pieces.

Is Beckett a Celt or an anti-Celt? I will leave that one with you (as they say), but the attempt on television to explain the emotive word by Frank Delaney on six BBC-2 programmes is now backed up by *The Celts* (BBC Publications/Hodder and Stoughton (£14.95, 240 pages) in which literature ranging from the Book of Kells to Seamus Heaney takes its place among a mass of archaeological evidence and beautifully carved artefacts, many of which are reproduced in colour.

From rugged to the urbane in Hebe Dorsey's fascinating compilation *The Belle Epoque*



Albert Finney as the Recruiting Officer as seen by Gerald Scarfe

Rachel Henning was a young Englishwoman brought up in country rectories who went out to Australia in the mid-19th century and wrote letters home mainly to her sister. They gave a vivid account of a tough pioneering life in harsh contrast to the one she had known in England. The letters were first published in the *Sydney Bulletin* in 1851 and since then have never been out of print.

The latest edition *The Letters of Rachel Henning* (Angus and Robertson £10.95, 330 pages) is a pleasure to handle as well as to read, and is generously adorned with contemporary drawings and water-colours.

The art of Gerald Scarfe arouses the most violently divergent reactions. Perusing his latest volume *Scarfe by Scarfe* (Hamish Hamilton, £14.95), you can see why. Here

is a talent for satirical distortion comparable in its savagery to the work of the eighteenth century English caricaturists whose heir Scarfe is.

The blander line of Eric Ravilious, killed on active service as a war artist in 1942, makes a soothing contrast. Some of his work appeared in the *Radio Times* and the *Listener*, and some of it was used for pottery designs. It is

Anthony Curtis

Art

Doodles of a grand master

THE ART book of this, as it would be of any, year, given normal opposition, must be *Jean Louis le Cahier: the Sketchbooks of Picasso* (Thames & Hudson: 348 pages, more than 600 illus.; £36 hardback or £16.90 paperback). Edited by Arnold and Marc Glimcher, it is a symposium of personal memoir and critical essay that includes contributions by Françoise Gilot, Picasso's sometime mistress, and their son Claude, detailed studies of six of the sketchbooks that together span near 60 years of the artist's career, and an invaluable catalogue raisonné of the known remainder. For Picasso left behind him at his death some 175 books, that is to say upwards of 7,000 leaves, in his studio that had been for his eye and use alone, and there must have been many more that were destroyed or lost or just went missing. But critical scholarship is one thing, art another, and the joy of this book rests with its reproductions, especially of the complete books picked on for full treatment.

This is not an exercise in facsimile, which is perhaps an opportunity missed, but it is a splendid achievement nonetheless.

Last year Bruce Bernard's *Vincent by Himself* (Orbis: £25), his edition of the letters of Vincent van Gogh in biographical harness with the paintings and drawings, would certainly have run Picasso close. His offering for 1986, *The Impressionist Revolution* (Orbis: 272 pp; 246 colour plates; £25), is perhaps not quite so spectacular a coup, but is impressive. He gives us an account of the development of Impressionism up to 1880 by which time, as he neatly puts it, "although the struggle was not quite over, victory was assured and the wartime coalition was naturally breaking up."

He takes his seven principal revolutionaries—Monet, Manet, Renoir, Degas, Sisley, Pissarro and Cézanne—in turn, treating each of them to a brisk biographical and critical study with marginal illustration. And then he gives over rather more than half the book to colour plates of 135 of their major works, quite unannotated and for the most part with a page to themselves. The emphatic horizontal format is perhaps a mistake, for the ample scope of the landscape images is somewhat at odds with the vertical works, but that is perhaps to quibble.

Velázquez: Painter and Courtier by Jonathan Brown (Yale University Press: 322 pages, 326 plates and illus; £35) came out earlier in the year and is a most handsome production, the colour very fine and the details, in particular, chosen with nice judgment. No reproduction can ever hope to catch anything of the physical qualities of the surface of a painting, but in getting close to the work it can at least remind the scholar and amateur alike that there is rather more to great art than subject matter and iconography.

The greater the artist — and

Velázquez is among the very greatest—the greater the necessity, but Professor Brown clearly needs a reminder. But there is always a place for the critical biography, and this ample study is an invaluable addition to the Velázquez canon, the chronological account of the development of the work woven easily into the story of the life of this complex and fascinating man. "He seems to have harboured two enormous, but mutually exclusive ambitions. One was to be regarded as a great painter; the other was to be regarded as a great gentleman."

To Manet he was "le peintre des peintres." Brown goes on to say "he was and is and will remain. But Velázquez was also a creature of a certain time and place—the court of Philip IV. Like every great artist, he was shaped by the world around him, even if in the end he transcended it." Just so.

William Packer



Pu Yi in court dress—from the book reviewed below

Lord of the ant

THE PUPPET EMPEROR: THE LIFE OF PU YI, LAST EMPEROR OF CHINA by Brian Power, Peter Owen, £13.95, 230 pages

HAVING VASTLY enjoyed Mr Brian Power's account of his boyhood in Tientsin I looked forward eagerly to his evocation of the last Emperor of China, who had been a refugee in the same treaty port. Haunted by the memories of that melodramatic period of transition, Mr Power was well equipped to write about Pu Yi. Though he cannot rouse sympathy for his anti-hero he tells a complicated story with admirable zest, lucidity, and a refreshing sense of humour. One sees it all as a film, which perhaps he had in mind.

Nearly half a century of the wicked Empress Dowager Tzu Hsi's domination had weakened a dynasty which came in like a Manchurian tiger and went out like a sick lamb. The three-year-old Pu Yi had been her choice heir to the Dragon throne. She could not have chosen worse. The freemasonry of court eunuchs had undermined the previous Ming dynasty, and their persistent influence proved disastrous to the Qing, or Manchus. Waited on hand and foot by these emaculated favorites, the boy Emperor was literally incapable of pulling up his socks. From his aloof position as "Son of Heaven" he was eventually reduced to guiding proletarians through his ancestral halls.

Mr Power peppers his narrative with lurid anecdotes about Pu Yi's sadistic diversions and his morbid obsession with ants. Degenerate though he was, I am sceptical of the rumours spread by Kuoimintang propaganda, and as his autobiography was ghosted by clever Communist writers it is not very trustworthy.

A hard shell of inhumanity seems to have protected Pu Yi through all the vicissitudes so vividly described until his death at the age of 61.

Mr Power has depicted contemporary "old China hands" with the brio of a Daumier; his cartoons of Sir Reginald Johnston, G. E. Morrison, H. G. Woodhead et al. provide comic relief in a drama fundamentally tragic.

When forced to abdicate, Pu Yi was allowed to stay on in the Forbidden City where Sir Reginald Johnston was engaged as a tutor to westernise him, a process about which Mr Power is most amusing. During the hectic interregnum of war-lords Johnston helped his "fledgling" to escape to the Japanese legation, and from that moment he became a veritable puppet manipulated by the Japanese, who arranged his flight to Manchuria and the farcical "Manchukuo" charade.

Tutor Johnston, an incurable romantic, dedicated his memoirs to Pu Yi "in the earnest hope that, after the passing of twilight and the long night, the dawn of a new and happier day for himself, and also for his people on both sides of the Great Wall, is now breaking."

But the twilight and the long night were to be prolonged by Chairman Mao. Apparently a new dawn has broken thanks to Deng Xiaoping.

The Puppet Emperor leaves the visual impression of a brilliant kaleidoscope, the patterns shifting from dark blue to vermilion. After a while its fragments settle into a panelled lacquer screen like those that used to grace the imperial palace. Mr Power has met a difficult challenge with praiseworthy gusto.

Harold Acton

Theatre

Wizard of Oz to la Duse

I LAST saw Charlie Drake as the Cowardly Lion in a lacklustre *Wizard of Oz* on tour in Wimbledon. It intrigued me that the Palladium headliner and TV star of the late 1950s and early 1960s was still battling away after falling from grace and out of the public eye. In *Drake's Progress* (Robson Books, £9.95, 244 pages), the little comic tells us, and it is not very nice.

After near-bankruptcy, two divorces and the acquisition of legitimate spurs as Pinter's caretaker at the Royal Exchange and Dickens' Smallweed on BBC TV, Drake, like Norman Wisdom, has been rediscovered. Who now remembers his catchphrase "Hello, my darlings," or his chart-topping single "My Boomerang Won't Come Back"? The big issue Drake cannot face is whether his stardom was an accident or a sign of inherent virtue. The little battered cherub, a Mickey Rooney of Weybridge and Workers' Playtime, is touchingly duped by fast cars and limitless alcohol into believing his own

publicity. Then the mirage fades and he's left floundering in an ill-fated *Ubu* directed by Charles Marowitz, a far cry from Val Parcell.

Enter Talking Joan Rivers with Richard Meryman (W. H. Allen, £12.95, 390 pages) in a similarly interesting as a story of determination, culminating in a 1965 breakthrough on the Johnny Carson show, which is where the book ends. Miss Rivers has had a failure on British TV, but the format was all wrong. She is, alongside Phyllis Diller, Lily Tomlin and Elaine May, the funniest of ladies, a fat kid from a comfortable New York background who used comedy as a medium of revenge and, less loftily, once played an off-Broadway love scene with a dumpty highschool girl called Barbra Streisand ("Even then she clearly intended to become Barbra Streisand").

Moving upmarket, Joan Houseman is the grand old man of American theatre, his rare War record at the Theatre Guild and the Mercury with

Orson Welles just about compensating for his relentless tone of humourless self-importance. *Unfinished Business* (Chatto and Windus, £14.95, 498 pages) is a compendium of his previous autobiographical books and a key document in the history of the serious theatre in America.

Despite his achievements in launching the American Shakespeare Festival Theatre in the mid 1950s and, 20 years later, the Acting Company based at the Julliard School, you sense that Houseman's finest hours were really 50 years ago. The book dwindles into a list of film and theatre credits with nothing to match his rancorous affection for Welles.

Houseman is a patrician figure who was educated in England at Clifton, where Trevor Howard was a boy 10 years after him. In Trevor Howard: A Gentleman and a Player, by Vivienne Knight (Muller, Blood and White, £12.95, 290 pages) an attempt is made to play down the hell-raising image, Miss Knight even protesting at the imposition of a third driving ban for eight years on the grounds that the senseless thespian did not kill anyone. At least there was less chance of him doing so for eight years. Even in this era of uncritical encomium, just tribute is paid to one of our greatest screen actors.

His Old Vic Petruccio was judged by many to be the finest they had seen; Tyrus regarded he never played Macbeth. Richard Attenborough correctly informs Miss Knight that the English acting revolution of O'Toole, Finney and Rexes, in fact started with Howard, a purveyor of strong natural emotionalism in the style of his hero Wilfred Lawson.

Howard's mottled visage, glassy eyes and steely screen integrity have in recent years

M. MUSSORGSKY: PICTURES FROM AN EXHIBITION. Facsimile of the composer's MS. Moscow State Music Publishers (available through Collets), £25.00. 32 facsimile pages, 6 colour prints and notes in hard cloth-covered case

YOU NEED only to be able to read piano-music; then, whether you are an amateur of the instrument, of Russian music or just of Mussorgsky's Pictures, this handsome production is utterly desirable. The score of the thing, but the reproductions of the extant paintings and sketches by Mussorgsky's friend Victor Hartmann are a fetching bonus. The notes—especially about the Mussorgsky/Hartmann connections, and about the MS itself—are detailed and helpful (in English, German and Russian).

Facsimile editions of music MSS are less rare than they used to be, but they are usually of specialised interest. Few read, still less when the MS is overlaid with correction and second thoughts; and a published version approved by the composer carries more authority (it may represent third and fourth thoughts), except for obvious misprints or mistranscriptions, which modern editions aim to put right.

The case of Mussorgsky's Pictures is different. Not only was it unpublished in his lifetime, but with posthumous publication came instant "improvements" by well-meaning editors. The only source for the Pictures is this manuscript, now preserved in a Leningrad library; and Mussorgsky's calligraphy is astonishingly neat, good enough to play from if you don't mind

More about Mallory

THE MYSTERY OF MALLORY AND IRVINE by Tom Holzel and Audrey Salkeld, Jonathan Cape, £12.50, 322 pages

THE LAST person to see Mallory and Irvine alive was Noel Odell, still vigorously with us. He spotted them high up on the north-east ridge of Everest, beneath a rock step, then above it—going steadily, but nearly five hours later than planned. Then mist hid them. Did they make the last 800 feet to the top, 29 years before Hillary and Tenzing reached it from the Nepalese side? Did they fall down the mountain, or freeze to death? Ever since 1924 there has been speculation, and those who have been on the North side of Everest have differed as to whether the pair reached their goal, as readers of the Weekend FT last week will know.

Now Tom Holzel, who has been obsessed by it for years, is sparing no effort to solve the mystery: to unravel the "hidden version, the Apocrypha, a second story of Mallory and Irvine" behind that recorded so far. First, when the Tibetan approach was out of bounds, Holzel planned to sneak over the border to Everest, after getting permission to climb Makalu in Nepal. This play having failed, he tried to join Japanese and French parties, after the Chinese withdrew their ban on foreign expeditions from the Tibetan side. Eventually, "having failed to get myself invited to join an expedition," he formed his own, which went off this last August.

He and his co-author Audrey Salkeld retell the story of Mallory's life and three Everest attempts ("leaning heavily," as they acknowledge, on earlier biographies by David Pye and David Robertson, and the official expedition books) and outsiders scrutinising and analysing a standard text, with a few suggestions as to what — 62 years ago—the climbers should have done. Much attention is paid to the controversies about oxygen, and to the choice of young Sandy Irvine as a member of the expedition, and as Mallory's partner. Then Holzel gives his own scenario, which "perhaps" asks questions ("Did it ever flicker across Odell's mind?") rattle tick and fast as pebbles on a scree slope.

His scenario is questionable on many grounds beyond the major unlikelihood of Mallory abandoning Irvine. Points made earlier — about old-fashioned climbing clothes and gear explaining their slowness up to the rock—are forgotten ("Splitting up at 1 pm Mallory quickly raced up the final pyramid") when they might tell against the theory. Yet even wild speculation is understandable; what is not allowable is that, in pre-

NEXT WEEK

My Book of the Year and Literary Competitions

especially to his Cambridge and Bloomsbury friendships. *Walt Unsworth* suggested in his *Everest* book that Mallory's choice of Irvine for the last climb might be that he had formed a romantic attachment to the young man. So the authors go trawling in these waters and come up with exactly what Mallory's family and friends knew and his biographers recorded: that A. C. Benson, Lytton Strachey and Duncan Grant were attracted to the handsome undergraduate—and bemoaned his innocence and puritanism; that he had homosexuals among his many friends, without being one himself; that he was steadily in love with his wife. So what is the point of giving all this space to these contacts at this point in the story—A. C. Benson and his family get eight pages!—if not to give the impression that there was more to the choice of Irvine than meets the eye? And yet earlier on, discussing that very question, the authors have said "the most likely answer is one that is not subject to controversial psychologising." Holzel's expedition may bring back new evidence. In the meantime his speculations are far-fetched, to say the least. He writes words of Captain Noel, the early expeditions camera-man, that could apply to himself: "He was never one to be short of ideas for catching public attention."

Janet Adam Smith

Racing fiction

In the stalls

DEADLY ODDS selected and introduced by Richard Peyton. Souvenir Press, £12.95, 358 pages

TOUTS AND RAKE-OFFS. A blazing chestnut with a clear white star. Fat young gentlemen. Illicit information. Midgets that touch their silken caps and tell their owners: "There ain't a 'os going as'll touch Snapdragon — unless, mayhap, the ghost of Flying Childers..."

I have often stood on a racecourse, or waved my last year at the grubby bookies, and wondered what it is that possesses grown men and women of otherwise sensible disposition to swarm like ants from stand to paddock and risk good money on anything as trivial as the outcome of a horse race.

Well now I know, for the charm of this collection of 23 crime and mystery stories of the Turf is that it invokes, on almost every page, the glorious bareness and Boy's Own bravado of what the blurb-writer calls (with only the slenderest of justification) "this most charismatic of sports."

Most of the heavyweights are here: Conan Doyle (with Silver Blaze: the one about the curious incident of the dog in the night).

Beyond that, there is the irresistible graphologist's invitation that a pianist-composer's own hand is bound to reveal more (about intended phrasings, weightings, overall dramatic profile) than a copyist's carefully uniform script. I think it does; playing or just reading from this original is exciting. The loose Hartmann designs for the way, are of his clock, the Great Gate and costumes for the Unhatched Childs ballet, and of the (separate) portraits of the Two Jews and the Paris Catacombs water-colour. If you need to find a Christmas gift for a pianist, your problem is solved.

David Murray

What happens in the City affects us all.

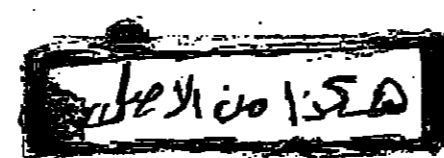
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Rebirth of Abdallah

TO FIND a ballet restored to its parent company more than a century after it was last performed is no ordinary event. Last week the Royal Danish Ballet presented Bournonville's *Abdallah* in a reconstruction that sought to revive the delights of this Arabian Nights' entertainment, last seen in Copenhagen in 1858.

The staging is owed chiefly to Bruce Marks, the only American dancer ever to have been principal of the Royal Danish Ballet. He bought at auction in 1971 a holograph manuscript of *Abdallah's* libretto. Bournonville thought long about his scenario, and when he came to stage the ballet for his Copenhagen dancers in 1856 he was on the verge of an important decision. Discontented with the state of the ballet company, which had shaped an effectively created during the previous 25 years, he had found a new post as choreographer in Vienna, and he had decided that the ex-oticism of *Abdallah* would be an attractive introduction to his work for the Viennese.

Abdallah is a young shepherd, in love with Irma, who is so fleet of foot that she is known as the Gazelle of Basra (the ballet's alternative title). Irma's mother, Fatima, will have none of this but Irma gives *Abdallah* a locket as a token of her fidelity. The first act ends when the Turkish commander of Basra arrives with his troops in pursuit of the local sheik, Ismael, whom *Abdallah*, with Irma's help, hides in his house. In Act 2 the grateful sheik improbably gives *Abdallah* a magic candelabra. Four of its candles, when lit, will grant a wish. Light the fifth and the wishes will be cancelled.

Nothing loath, *Abdallah* lights the first candle to gain spiffing new clothes, the second to transport him from his house to a tremendous palace presided over by Omar, guardian of the harem, and the third to suitably demure (this being Bournonville) thought led by the beautiful Palmira. The arrival of Irma and Fatima confuses the issue because it is clear that *Abdallah* has four distractions other than his love for Irma, and in order to rid himself of the nagging Fatima he lights the fourth candle which obligingly despatches Irma to the bowels of the earth. (Is this the first mother-in-law joke in ballet?) Wine, women and the ingratiating tones of Padi's sugary song lead inevitably to the moment when the reckless *Abdallah* lights the fifth candle and finds himself back in his humble garb in his own hazy abode.

The third act takes place in the garden of Ismael's palace. The sheik returns victorious from battle with the Turks, accompanied by his eight sons. He also brings the disconsolate Irma with him and offers any of his sons as bridegroom. Irma however remains true to *Abdallah*, and the latter is



Heidi Ryon and Arne Villumsen in "Abdallah"

brought to the palace to be reunited with his beloved, while Fatima appears to have struck up a friendship with Ismael. The ballet ends in general rejoicing.

The narrative may be Bournonville in its underlying moral attitudes and in its dramatic machinery (there are elements in it common to *Kermesse in Bruges and Napoli*), but the plot strains and strays after orientalism. More seriously, it engages our sympathies less than any of the extant Bournonville repertory, and the characters are under-developed and paper-thin. Yet it was this dramatic scheme which attracted Bruce Marks and his wife, the late, great Danish ballerina, Toni Lander, to the idea of a possible staging.

An important step towards realisation came five years ago, when Miss Lander discovered violin repertoire scores in the Copenhagen Royal Library that had been used by Bournonville to prepare *Abdallah*, which bore copious notations of step and action written in his hand. The reason for this detail was clear. In order to facilitate his Vienna staging six months after the ballet's Copenhagen premiere, Bournonville had prepared this *aide-memoire*.

With the help of the libretto and these annotated descriptions of the dance (which would mean about half the choreography becoming decipherable), Toni Lander set to work with Flemming Ryberg, an outstanding Bournonville specialist with the Royal Danish Ballet, to restore a full text, turning written conversation in Bournonville's gesture, amplifying the choreography by filling gaps with steps and enchainements that made use only of

true Bournonville vocabulary. This combination of detective work and understanding eventually enabled Miss Lander and Mr Marks (who produced the ballet) to stage *Abdallah* for Ballet West, their own company based in Salt Lake City, last year. The tragedy associated with the event was the death of Miss Lander, shortly after the first performance, and the Royal Danish Ballet's presentation last week was dedicated to the memory of this beautiful artist.

In light of the continuing fascination with Bournonville—attempts have been made to restore two other of his ballets—it was no surprise that the Royal Danes should acquire the Lander/Marks *Abdallah*, complete with its pretty and traditional sets and costumes by Jens Jacob Worsaae. *Abdallah's* rebirth in Copenhagen after 128 years, which I saw last Saturday, brought Arne Villumsen as the hero, Heidi Ryon as Irma, supported by three of the company's greatest mime artists: Fredbjorn Bjornsson as Omar; Kirsten Simonsen as Fatima; Henriette Krastam as Ismael. Everything that Danish style, tradition, veneration for Bournonville could do, was done to give back life to the old ballet.

Yet *Abdallah* did not survive the test of time and theatrical

taste, and history's judgment on the filmy dramaturgy of the piece seems right. In matter of dancing, it is hard to guess at the original, for the present text amounts to tracts of reworked, re-digested Bournonville, and upon the interpretation of written notes. The choreography has the correct but lifeless air of any historical reconstruction, like 18th century interiors in museums, replete with glorious furniture, but lacking any sense of habitation. The Royal Danish artists laboured superbly to give us the outward and visible signs of Bournonville. But nowhere did I sense the inward and invisible spirit of the creator of *Napoli* or *Kermesse*. What we see is a decent, *à la Monnaie* de decession, not to be faulted on its incidents or its intentions, but Van Meergeren rather than Vermeer. The truth of the Danes' existing Bournonville repertory, for all the changes brought to it over the years, is a sustaining veracity: this may be an art of the museum, but the exhibits have been kept in working order and still function as they were intended to. *Abdallah* lacks the final spark of Bournonville life, the master's touch that will turn plety into faith, and enchainments into choreography warmed by character and an affirmative joy.

There are charming things in the staging: a trio for Irma and two friends, which leads into a Judgment of Paris sequence when *Abdallah* rewards his beloved with a suitably Baroque orange; demure evolutions for harem ladies who could pass for the Syphilis' cohorts; a brilliant quintet in the last act for Heidi Ryon and four fresh young talents—Karinna Elver, Christina Olsson, Niels Balte and Nikolaj Hübbe (these last two young men very promising indeed). There are skilful Danish scene changes where the lighting glazes the floor a second time, and a suddenly transported to *Abdallah's* new palace, and there are sure central performances from Arne Villumsen as a brave and witty hero, and from Heidi Ryon as a gazelle-like heroine. In his memoirs Bournonville had no illusions that, after his death, his ballets would survive in the repertory. "Nothing in the world is lasting," he wrote. "The scene of the stage" is wrong about a handful of his masterpieces, but not, alas, about *Abdallah*.

Clement Crisp

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Making the film "Greed" in Death Valley, with the musicians in attendance

Silent movies live again

ONE OF the regular high-spots of the London Film Festival in the past half-decade has been the presentation each year of one or more silent films with a live orchestra. Sponsored by Thames Television, these performances have not only resurrected the long hidden glories of silent cinema, they have also introduced their audiences to an experience of overwhelming intensity—a far cry from most people's perception of silent films as dusty, dated entertainments to be watched stoically to the accompaniment of an out-of-tune piano in a cold, almost empty cinema.

The moving force behind this revival consists of David Gill, a documentary director and producer at Thames, Kevin Brownlow, director and historian of the silent era, and Carl Davis, composer and conductor. In the book on the early history of Hollywood, *The American Dream*, which has been the go-ahead for a series about the American pioneers of film, the aim of the series was twofold: to give a history of the early film industry, told largely in interviews with veterans of the period, and to present the actual footage of the time, be it clips, out-takes or newsreels, in as authentic and pristine a manner as was possible.

This involved finding the best possible prints (not always an easy task), projecting them at the correct speed (thus eliminating the traditional "speedy" image of silent film), and providing music which would not only enhance the visuals, but also serve as a historical record. Recognising Kevin Brownlow's dedication to the original quality of these old films, David Gill nevertheless had misgivings about how a modern audience would react to them: "I still had a slight reservation because I had been away from silent films for so long. I'm not only used to seeing the films, but also to hearing them—something they could not see that happening was just by using music, but by actually spending so much money on music—composing it and being able to afford a large orchestra, something which documentaries never envisage, as soon as we started working the results during the course of production we were astounded by the effect it had

on the film. A whole new entity appeared, and we could see it from the reaction of people who saw the programmes."

Carl Davis had already worked with David Gill on a documentary series and jumped at the chance to score Hollywood. "First of all I did quite a bit of research on how the film scores were created in the period. The series really ran the range of all the styles of film of the period, and involved me in thinking and creating for a great many clips." Davis resorted to many of the methods of the silent era: borrowing chunks of the classics, cobbling

Mark W. P. Ward gives the background to how live music came to embellish the showings of "Greed" at the London Film Festival

together popular pieces of the time; anything that would go with the film. Throughout he would interweave his own music, often finding inspiration in certain composers to reflect the style and mood of a film or actor in the accompanying music: Rimsky-Korsakov for *Barbed*, Liszt for the soul of Garbo in *A Woman of Affairs*. Not surprisingly, Davis was itching to try his hand at a full-length score for full orchestra to accompany a theatrical presentation of a silent film. The opportunity to do so did not arise until the BFI's reconstruction of Abel Gance's epic *Napoleon* for the London Film Festival in 1980. In three months Davis had to produce five hours of music. "As much out of practical as aesthetic considerations he quickly settled upon the idea of using the music of Beethoven and his contemporaries as the backbone for the score, an apt choice in view of the youthful Beethoven's admiration for the young Napoleon. "One of the first things I learned about silent film musicians of the time, when I was working on the Hollywood series, was that they had absolutely no inhibitions about robbing like grave robbers, and using classical compositions to support the score." Sometimes an important film would be distributed with a specially composed score. Whenever possible Davis has made reference to these, and has often found useful source material (various army and popular songs of World War I for *The Big Parade* for example), and on one occasion has reconstructed an entire original

score—D. W. Griffith's *Broken Blossoms*. But in the case of *Napoleon* in 1980, Hönogger's original score had yet to be re-discovered, so Davis found himself plundering the treasure-houses of Classicism.

Yet he was careful never to use music which might jar with the film's carefully constructed historical authenticity. "I had a notion, which I always follow, which is to try and be faithful to the period, or at least to pay service to the period it was done in. I would use Beethoven, but only up to compositions of about 1810, and I would not go into Berlioz, for instance, or

him as a director is always very Germanic in his work. The thematic approach, the recurrence of theme, and the fact that the characters come from a German background even—certainly Triun's family does—made me lean towards German music, or rather Austrian music, of the early 20th century. I really didn't want the orchestra in itself to have a very sympathetic, soft or romantic sound. I wanted it to be harsh and clear—a quality which I think could also describe the way the film is. Alban Berg and von Ströheim would be quite good partners in a way because they are both full of a mixture of banal phrases with a sort of torment; soaring lines and a 'what-lies-under-the-skin' kind of character."

Davis omits strings, except for an elaborate violin solo, leaving wind, brass and extensive percussion. In sequences where several planes of action are involved on screen, he has adopted an Iranian technique of allowing simultaneous but different music to elide and clash. "For example, during the wedding service a funeral procession passes by. Now if we accept my job as being to bring out what is in the film, it seemed that there was no alternative other than to do a wedding and a funeral going on simultaneously." Therefore Davis collides Wagner's *Wedding March* with Lohengrin in B major with the Chopin *Funeral March* in B minor, plus a popular song of the period, *O Promise Me*, in F major.

"This is simply doing what the film is doing and because of the example of lives one wasn't afraid of the clash, one welcomed it. What von Ströheim is actually saying is—this is a wedding that is doomed—and my job then is to reinforce that idea."

Fisewhere Davis has taken this technique a step further, to bring out what lies beneath the surface of a scene. Two friends quarrel and then make up in a seaside tea shop where a mechanical piano is playing. *Memento* the steady honky-tonk prattle.

Kevin Brownlow comments: "King Vidor says in the *Hollywood* series that music is 50 per cent of the emotion, and I thought, 'Come on! This is 30 per cent over the top.' But he's right. When you see it working you realise it's the fusion of the two, like a carbon arc that creates that fantastic impact."

Records

Royal tribute to Arthur

Chausson: *Le Roi Arthur*. Gino Quilico, Chorus, Erato NUM 48213; MCE 75271; ECD 88213. Les Béatitudes, Lebrun, Stutzmann, Joffe, Renaud, Vanaud, Loup, Chausson/Erato NUM 48213; MCE 75271; ECD 88213.

fluency, we can realise the loss music suffered in Chausson's fatal accident. He surely had more music dramas in him.

He wrote his own libretto, using a famous episode from Arthurian legend, the adulterous love of Lancelot and Guinevere. Presumably he chose the form *Arthur* for the king's name because Arthur, stressed in the French way on the second syllable, sounds like when sung. As anyone can see—and the composer was nervously aware—both the medieval setting and the central situation of the gallant knight seducing his king and master's wife, are dangerously close to Tristan.

The emphasis is quite different. There was good reason for naming the opera after the king. The affair between Lancelot and Guinevere is already in progress when the opera begins, as much love duet comes early, as much and concerned with remorse, Guinevere, torn between lust and an undramatic character, Lancelot vacillates, choosing the path of duty too late. The pain belongs less to the age of the round table than the world of verismo. The warrior-king, forgiving in spite of the pain caused by Lancelot's treachery but troubled by signs of rebellion among the knights, moves among the action with his mind fixed on an ideal not to be realised in this sinful world. After Guinevere has strangled herself with her raven tresses and Lancelot has been slain,

why, Franck set excerpts from the *Sermon* on the Mount with an accompanying commentary, simple of language but banal of thought, in a prologue and eight sections in which the world's wickedness is contrasted with the utterances of Christ.

Or rather, as every commentator points out not sufficiently contrasted. Yet was sharp contrast what this inward, meditative composer was after? The real weakness is impression of style and shape. The orchestra weaves a glowing tapestry full of arresting detail. But Franck did not write nearly as well for voices as Chausson, a fact that the generous resonance of the Invalides underlines, by pushing the choir into the background. The orchestra sounds ravishing, but can this be the same choir heard to such advantage in *Le Roi Arthur*?

In spite of his reverence for Liszt and attraction for Wagner, Franck's genius was not for the depiction of evil. His satan is feeble and his bad people make the demons in *Gerontius* seem positively frightening—(surely Elgar knew *Les Béatitudes*?). The words of Christ, blandly set, are sung by the baritone Marcel Vanaud with a big, velvety voice, constricted until he relaxes towards the end. The numerous other soloists are pretty good. Those who dislike Franck had better stay away. Nevertheless, the work cannot be ignored by anyone interested in French music after 1870.

Ronald Crichton

Radio

Sir Alex recalls

LAST WEEK'S Radio Times was unusual in that it devoted four and a half pages to radio, apart from the programmes. There was spread about Marconi, inspired by the opening of Radio Essex in Chelmsford, where Marconi had his factory. There is a little piece (I am generous in calling it a half-page) about cricket commentary. There is a page about the Radio Times Drama Awards, though that also concerns television. And there is the gossip page "Hear This". In fact, they are all gossip pages: this is what *Radio Times* readers appear to want, apart from the programmes. At the foot of the page headed INFO (mainly about television), we have a table of radio frequencies. They do not include the frequencies for World Radio, a channel that many people like to watch, but which *Radio Times* ignores.

The most interesting gossip I heard on radio this week was an interview with Sir Alex Issigonis, creator of the Mini and hence of most of current European and Japanese motor-engineering, celebrating his 80th birthday. The *Ironmonger* must have been some holes in the gossip. Issigonis, aged 16, and his mother arrived "penniless" in England; he spent three years at the Battersea Polytechnic; then he and his mother went for a long trip around Europe in their car. Much credit goes to Morris Motors; they gave Issigonis his own department, where he developed the Minor (disliked by Lord Nuffield) and then the Mini. Obiter dicta: "Market research is absolute bunk."

Stylists are employed to make things obsolescent." Mischief (Radio 4) last Saturday, afternoon inaugurates a short season of Ben Travers' plays. He would have been 100 this year if he had only lived a few extra years, as we all thought he would. The play has been adapted from a novel, and I am amazed that Travers didn't himself make it into a play, for it has a characteristic story of young people meeting or escaping from one another in a country cottage, with handmade parts for Tom Walls, Ralph Lynn, Mary Brough, and the rest. The adaptation com-

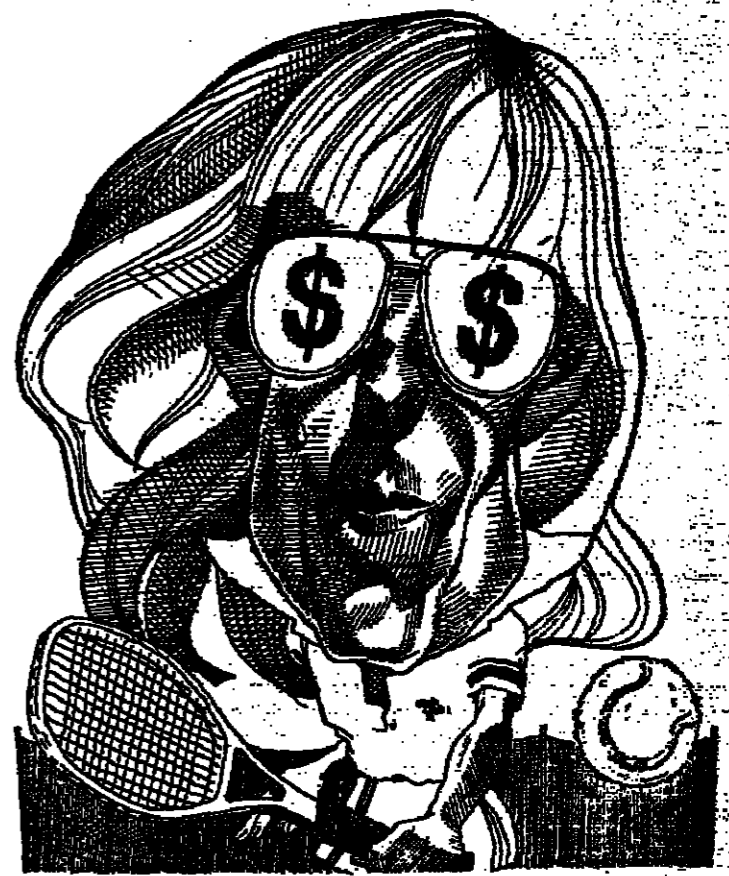
passes its plot with some rather sudden cuts between cottage, pub and wherever oil magnates hang out, and needed peculiarly close attention. The director, who was also the adaptor, was wise to give some reminders of the voices when the case was given at the end: it was not always easy to distinguish Henry, Willy, Algy and Bertie among all those quick moves.

The Russian drama on Radio 3 goes on apace, and at last shows signs of extracting itself from Chkhov. We had two of Chkhov's short pieces, though, *The Lady and the Double-Bass Case* (originally a short story) and a 15-minute farce, *Unintentionally Tragic*, which led the editor of the *Radio Times* to make a typographical joke. The lady and the owner of the case had both been caught without their clothes when bathing in a lake, with farcical results not hard to predict. Richard Briers was the unintentionally tragic citizen, overcome by the duties forced on him while he worked in the city and lived in his dacha in the country; when he sought sympathy from a neighbour, he only attracted a fresh set of demands.

Vsevolod Vishnevsky's *Optimistic Tragedy*, dating from 1934, was simply appalling, like a bad story out of a boys' comic. The crews from the Russian fleet are uncertain of their loyalties in the Revolution; some are anarchists, some are bolsheviks. To them is sent as their commissar a young woman of infinite personal attraction (played by Toyah Wilcox, who sounded to me as if she were telling a story rather than acting a part). She appoints commanders, she

John Barrett shows how women tennis players' earning power has rocketed

Who wants to be a millionaire?



Navratilova... the \$11m woman

THIS WEEK'S season-ending Virginia Slims Championships at Madison Square Garden, New York, offers the 16 women singles players and eight doubles pairs \$1m in prize money.

decided to boycott. Instead, nine pioneers signed a token \$1 contract each with Gladys Heldman, then editor of World Tennis magazine.

Toyota have all made significant contributions to growth. In addition there are many subsidiary sponsors whose products — from artificial sweeteners, potato chips and frozen food to tennis-related goods and even

earned. Already there are 17 female tennis millionaires from prize money alone — a staggering enough figure until you discover that also 50 men have won as much.

It has been a fascinating sea-

Navratilova in a totally absorbing semi-final.

In her best season to date, Steffi has won eight tournaments and been in two other finals. She has beaten both Martina and Chris Evert Lloyd for the first time and seems destined to oust them from their entrenched positions at one and two on the WTA computer.

of the late Vera Sukova, a Wimbledon finalist in 1962, is another who has made significant advance. A tall serve-and-volley exponent, Telena was a finalist at the US Open, a quarter-finalist in Paris, and a semi-finalist at Wimbledon — results which prove her all-round ability.

On the home front the week produced news of a new eight-city men's league competition in two geographical groups to start next February under the sponsorship of The Mortgage Corporation, who will contribute \$300,000 over the next three years.

McNamee, Pat Cash and Stefan Edberg are all showing interest, but it remains to be seen if the one-set format to be adopted for the four singles and one doubles matches in each tie, plus the sudden death tie-

break if the teams are level on points, will give the players enough scope to rouse the crowds. At least the LTA at last is trying to market the game in Britain, and for this they should be congratulated.

The success of the women's tour has been one of the most remarkable features of the game's development since the introduction of open tennis in 1928. Those of us who said that the women were mad to launch out on their own in 1970 have had to eat our words.

Not even the most optimistic prophet was prepared for the scale of support which women's tennis would attract. Thanks to the skilful marketing techniques of Gerry Diamond, the first executive director of the Women's Tennis Association (now the WITA) and his successor, Merrett Stierheim, financial stability is assured.

travel — are endorsed by the players. Furthermore, the WITA has avoided the political skirmishes that have bedevilled the men's game for so many years, largely because the leading women have consistently shown a more responsible attitude than the men.

son on court. The rapid emergence of the 17-year-old West German Steffi Graf suggests that we are on the threshold of a new era. It was unfortunate that a virus infection affected her performance in Paris, and kept her out of Wimbledon. And it was tragic that she should then have broken a toe in a bizarre accident in Prague during the Federation Cup matches when a heavy umbrella stand fell on her foot.

reward and punishment, paternalism and protectionism. This causes creativity to wane and stifles enthusiasm. If individuals are not allowed to think for themselves, the team will not attain its version of confluence, which Syer calls "synergy" in a laudably rare use of jargon.

expensive temperaments and egot. Syer views stars as potentially a challenge, not a problem, and feels that players should be considered "equal in their diversity."

at Aberdeen. They also count a number of top footballers among their clients, including a Liverpool first-teamer, but would like to widen their horizons and be involved with the long overdue development of British tennis (they already work closely with Angela Buxton, formerly an international and now a coach).

Much as they enjoy their involvement with sport, they find it hard to convince prospective clients that \$55 per hour (£18 for an individual) or £250 for a weekend is worth paying. Indeed, their very professionalism is frowned upon.

THE SECRET of the England cricket team's success this week is probably that they have somehow acquired the mental skills to get the best out of their physical and technical abilities.

Psychology on the playing fields: Nicholas Keith reports

More than just cricket

rather than "why?". This may sound highly un-British. But before you plaster your porridge over the coffee percolator, Syer definitely does have a sensible message.

Syer still runs the consultancy in London with his American co-founder and the other sports psychologist in this country, Christopher Connolly. Their 1984 guide to mental training, *Sporting Body Sporting Mind* (Cambridge University Press), has sold 15,000 copies in seven languages, and, significantly, is used as a textbook in East Germany's vaunted sports school in Leipzig.

At first, the Spurs players were suspicious, but Steve Archibald and Garth Crooks, the strikers, took the lead and Syer eventually found himself working with most of the team in groups of two and three. He admits to an "idealistic view of the perfect team, which allows individuals to express themselves — and yet harnesses their talents."

Nowadays there is huge pressure on the coach/manager to produce results, and that applies to business and industry, too. If "the leader" can get his/her players/staff to motivate themselves, prospects for individual and team success will be improved and the pressure shared.

Another great goal is "communication" through relationships, so that all the members of a team, from stars to raw recruits, feel included.

Syer believes that there is a ready application for his methods in business, which is "more turned on than sports to humanistic psychology." "If you want to make a speech; tie down a deal; project confidence, aggression or cleverness, you can use Gestalt to get in touch with an old experience of yours — or picture someone who embodies the characteristics you want to achieve. Then think about it and rehearse. It really does work."

Perhaps Syer and Connolly are prophets without honour in their own country. They accept that the only sinner manager to have shown interest (apart from Burkinshaw and Peter Shreeve, his successor at Spurs) are Terry Venables, of Barcelona, and — encouragingly — Alex Ferguson, Manchester United's new boss, when

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John Syer, a tall, sandy-haired, immensely pleasant man who claims to be one of the only two sports psychologists operating in Britain. It will seem bad enough to some that sport should need psychologists — what would Douglas Jardine think? — but Syer uses a humanistic approach. Gestalt. This was developed by a contemporary of Freud, Fritz Perls, who designed exercises "to increase awareness of the interplay of our physical, emotional and mental reactions to our environment."

However, he learnt to relax and enjoy it, and it brought him into contact with different philosophies. From 1976 he spent some time at Findhorn, a spiritual community in the Moray Firth; this experience took him to the US to study Gestalt and attend him for the foundation in 1979 of the Sporting Bodymind, a sports consultancy in humanistic psychology.

They caught the headlines in the early 1980s when they were appointed as sports psychologists to Tottenham Hotspur, FA Cup winners in 1981 and 1982, and European Cup winners in 1983. They

his skill as a sports psychologist is to help his clients hone all their talents: by better mental preparation they will improve their technical and physical training. The psychologist, in turn, is part of the coach's team, which also includes captain, trainer, doctor, physio, scout, etc.

In this approach, Syer seeks to move away from the traditionalist "behaviourist" methods of sports management, which tend to be based on

the pressure cooker blew at Somerset Cricket Club recently because of lack of communication. However, that does not mean that the humanists want to avoid star players, with their

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